FBIS DAILY REPORT CONTENTS

Latin America

Vol VI No 57 *23 March 1978*

INTER-AMERICAN AFFAIRS

La Paz Sources See Argentina-Bolivia-Peru Axis Against Chile A 1 1/A6

ARGENTINA

LA PRENSA Endorses Bolivia's Sea Outlet Claim [22 Mar] B 1 1/A7
Peronist Union Leaders Form Study Group B 1 1/A7
Federal Party President Interviewed on Political Topics [LA PRENSA 20 Mar] B 2 1/A8
Foreign Investments Increase By $500 Million B 3 1/A9
Briefs: Peronists Lose Assets; Allara to Japan B 3 1/A9

BOLIVIA

Banzer Speaks on Economic Power, Break With Chile C 1 1/A10
Army Chief Claims No Knowledge of Andean Powers' Meeting C 1 1/A10
Villalpando Stresses Military Readiness C 2 1/A11
'Spy Network' Discovered C 2 1/A11
Leftists Criticize Severing of Relations With Chile C 2 1/A11
Falange Leader Urges Unity in Dealing With Chile C 4 1/A13
Government Charges Opposition With Hindering Elections C 4 1/A13

BRAZIL

Government Discreet on Significance of Carter Visit D 1 1/B1
[O ESTADO DE SAO PAULO 21 Mar]
ARENA Senator Discusses Figueiredo, Carter Visit D 1 1/B1
[JORNAL DO BRASIL 22 Mar]
CNBB Leader Disavows Plan To Meet With Carter D 1 1/B1
[JORNAL DO BRASIL 22 Mar]
MDB Deputy Hints Link in Letelier, Kubitschek Deaths D 2 1/B2
Fair Treatment Ordered for Arrested Teachers D 3 1/B3
[O ESTADO DE SAO PAULO 21 Mar]
Writer Claims Extensive Bribery in State Industry D 3 1/B3
[JORNAL DO BRASIL 21 Mar]
Bolivian General Denies Plans To Buy Arms D 3 1/B3
[JORNAL DO BRASIL 22 Mar]
Geisel-Tancredo Neves Talks Recounted D 3 1/B3
Anniversary of Geisel Government Noted D 4 1/B4
Amnesty International May Set Up Office D 4 1/B4
Briefs: French Loan to ELETRONORTE D 4 1/B4

CHILE

Bolivian Paper Publishes Chilean Reply on Relations [La Paz PRESENCIA 19 Mar] E 1 1/B5
Briefs: Export-Import Statistics E 2 1/B6

COLOMBIA

Lopez Michelsen Interviewed on Canal Issue, Drug Charges [EL TIEMPO 17 Mar] F 1 1/B7

ECUADOR

Supreme Court President Stirs Political Controversy G 1 1/B11
Complains of Ambitious Politicians G 1 1/B11
Politicians React Indignantly G 1 1/B11
Statements Clarified G 2 1/B12
Finance Minister Discusses Foreign Debt G 2 1/B12
Automobile Importers Protest Rise in Import Tariffs G 3 1/B13

PARAGUAY

Two Alleged Subversives Allowed To Leave Country [ULTIMA HORA 21 Mar] H 1 1/B14
Colorado Party Chief Vows Respect for Rights [ULTIMA HORA 22 Mar] H 1 1/B14
HOY Views U.S. Human Rights Policy As 'Coverup' [16 Mar] H 1 1/B14
Briefs: Political Prisoner Released; FRG Loan; Loan for Itaipu H 2 1/C1

PERU

Foreign Minister Views Results of UNCTAD Board Meeting [EL COMERCIO 16 Mar] J 1 1/C2
Andean Development Corporation Grants $23 Million Credit [EXPRESO 17 Mar] J 2 1/C3
'Agitators' Continue To Disrupt Railraod Service J 2 1/C3

VENEZUELA

Perez on Carter Visit, North-South Dialog L 1 1/C4
Foreign Minister on Carter, Soares Visits L 1 1/C4
Portuguese Prime Minister Soares Arrives L 1 1/C4
Prince Charles Concludes 7-Day Visit L 1 1/C4
Mines Minister Urges Better Oil Exploration Balance L 2 1/C5
Hernandez Reports Recovery of Oil Sales Levels L 2 1/C5
AD Candidate Pinuerua Outlines Economic Policy L 2 1/C5
Increased Oil Sales to Nontraditional Clients Reported L 4 1/C7

MEXICO

Roel Criticizes Foreign Aggression, Pressure M 1 1/C8

PANAMA

PEP, Teachers' Coordinator Reject U.S. Senate Treaty Changes N 1 1/C9
Costa Rican President on Private Visit to Panama City N 1 1/C9
Chilean Ambassador Interviewed on Cooperation With Panama [LA REPUBLICA 19 Mar] N 2 1/C10
Expansion of Panama's Diplomatic Relations Considered N 2 1/C10
Soviet Businessmen To Hold Trade Exhibition [MATUTINO 20 Mar] N 3 1/C11
Romania Offers Industrial Management Scholarships N 3 1/C11

CENTRAL AMERICA

COSTA RICA

Carazo Opposes State Control of Radio, Television P 1 1/C12
[LA NACION 20 Mar]
Soares Comments on PLN, Chile, Ties With Cuba P 1 1/C12

GUATEMALA

Capital's Mayor-Elect Injured Seriously in Beating P 2 1/C13
Antigovernment Plot by MLN Uncovered P 2 1/C13
Government Minister's Charges P 3 1/C13

HONDURAS

U.S. Study Indicates Large Oil Deposits Possible P 3 1/C13
New PDCh Leadership Holds News Conference P 4 1/D1
[EL CRONISTA 14 Mar]

NICARAGUA

Government Charges 42 With Crimes Against State P 5 1/D2
Sandinists Reveal Antiguerrilla Operation With Honduras P 5 1/D2

CUBA

Malmierca Arrives in Rome Enroute to Middle East Q 1 1/D3
Meets Italian Foreign Minister Q 1 1/D3
Departs for Baghdad Q 1 1/D3
Rain Causing 'Serious Problems' With Sugar Harvest Q 1 1/D3
[SUNDAY ADVOCATE-NEWS 19 Mar]
Production Figures Supported Q 3 1/D5
Fidel Castro Meets Algerian Sports Minister Q 3 1/D5
Radio Comments on Cuban-Ethiopian Internationalism Q 4 1/D6
UJC National Committee Holds Third Plenum Q 5 1/D7
Arnaldo Milian Chairs Granma Rice Production Meeting Q 5 1/D7
Bulgarian Science Delegation Meets PCC Officials Q 5 1/D7
Caribbean Oncology Congress Opens in Havana Q 5 1/D7

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50

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LA PAZ SOURCES SEE ARGENTINA-BOLIVIA-PERU AXIS AGAINST CHILE

PY220404Y Paris AFP in Spanish 2200 GMT 21 Mar 78 PY

[Text] La Paz, 21 Mar--Experts today expressed the belief that the severance of diplomatic relations between Chile and Bolivia allows the creation of a military and economic axis among Buenos Aires, La Paz and Lima.

According to La Paz sources, Chile has become isolated from neighboring nations because its conflict with Bolivia now enhances the problem which Santiago is having with Buenos Aires over the Beagle Channel and the Antarctic, as well as the usually shaky relations between the governments of Chile and Peru.

The sources added that the first Bolivian ship since the War of the Pacific--the "Liberatador Bolivar"--will leave the Venezuelan port of Cabello on 23 March, the 99th anniversary of the beginning of the War of the Pacific between Chile and the Bolivian-Peruvian alliance. The ship's regular base of operations will be the Argentine port of Rosario.

At the same time, the Bolivian Government has reported that its experts are urgently working on plans to transfer most of current Bolivian freight from Chilean to Peruvian ports.

La Paz sources stated that Chile's situation has deteriorated further because the severance of relations with the government of La Paz leaves Gen Augusto Pinochet's regime isolated from its neighbors.

The sources added that the consequences of this will be economic rather than military, but the situation of the neighboring country, which has also left the Andean Pact because of differences with other nations, "is becoming difficult."

Government spokesmen did not wish to discuss reports about the creation of an axis around Chilean borders, but the experts insisted that there is "in fact" an anti-Chilean framework in the Latin American southern cone.

The sources added that this geopolitical framework may thaw if Chilean diplomacy resorts to its traditional attitude.

On the one hand, its friendship with Ecuador may help the Santiago government attain a balance with Peru, while Brazilian support may act as a counterweight to the current Bolivian and Argentine positions.

Nevertheless, Brazil's domestic tendency seems to favor certain neutrality of this country, which appears to be more concerned over its elections and the utilization of the River Plate Basin than other subjects which lie far beyond its borders.

La Paz experts concluded that Bolivia is slowly switching its commercial relations from Chile to Argentina and especially to Peru, which seems to be emerging once more as the "historical ally."

LA PRENSA ENDORSES BOLIVIA'S SEA OUTLET CLAIM

FY2300587 Buenos Aires LA PRENSA in Spanish 22 Mar 78 p 6 FY

[Editorial: "A Sea Outlet for Bolivia"]

[Excerpts] With the severance of diplomatic relations between Bolivia and Chile, implemented by the La Paz government, the negotiations aimed at solving the almost 100-year old Bolivian problem seem to have gone into another period of stagnation. Ever since Chile annexed the bay and the port of Antofagasta during the War of the Pacific, Bolivia has not ceased to demand a piece of land which could provide it with an access to the coast.

The severance of relations delivered to the Chilean diplomatic mission shows the unanimous feeling of frustration of the Bolivian people caused by the failure of the negotiations regarding this sensitive matter. The communique issued in this regard analyzes the process of negotiations between the two countries and describes the attitudes of both Chile and Peru toward Bolivia's claim.

It is hardly necessary to emphasize that as long as Bolivia stays without a means of communication with the rest of the world through the Pacific, the nations of the Andean regions will remain involved in permanent conflicts and a useless clash of unforeseeable consequences. Irrespective of past differences, Bolivia has a right to coexist with the rest of the countries on equal terms. The brotherhood of origin and a common historic destiny make the acknowledgment of this fact even more necessary.

Now that the negotiations over a sea outlet have been interrupted due to formal disagreements which have not been overcome, the time has come for the friendly but unavoidable intervention of international organizations. The OAS has the mission of proposing and facilitating an appropriate solution. This organization cannot remain aloof from such a duty without undermining its own raison d'etre within the hemispheric community.

Many are the roads which lead to the desired goal and all of them are only of relative importance. The important thing in this case is to provide a fair and equitable solution, and this solution can be none other than giving Bolivia an outlet on the Pacific.

PERONIST UNION LEADERS FORM STUDY GROUP

FY2217067 Paris AFP in Spanish 0414 GMT 22 Mar 78 FY

[Excerpt] Buenos Aires, 21 Mar--Seven union leaders who were active members of the Peronist movement established a Commission for Study of Argentine Unionism (CASA) today. CASA includes Juan Jose Taccone, Miguel Unamuno, Eleuterio Cardozo, Paulino Niembro, Lorenzo Pep, Miguel Gazzera and Jose Manuel Mendoza. They stated that their purpose is "to promote a broad call to national unionism in order to review the political proposal which the armed forces will eventually present to the nation."

FEDERAL PARTY PRESIDENT INTERVIEWED ON POLITICAL TOPICS

PY212145Y Buenos Aires LA PRENSA in Spanish 20 Mar 78 p 5 PY

[Text] Mar del Plata--Political leader Francisco Manrique [Federal Party president] has made a statement in Mar del Plata on the election issue. He said that "we cannot talk of elections as such while the guidelines for a full democracy are not outlined." He maintained that "the country, because of the natural inclination of Argentines, will return to the democratic system, although not in the very distant future according to some optimists and not in the very near future as some hasty people want."

The former social welfare minister also stated that the first priority in the country is "to upgrade the salary of workers who were really the first to contribute, in contrast with the management sector whose share is still missing."

In an interview with the newspaper EL ATLANTICO, Manrique indicated that "the disturbing point in this country has been a faulty economy which included a number of businessmen who engaged in making gains private and losses socialized. We are experiencing an encounter between a selfish and anachronistic system and a clear economic system--although the latter has nothing to do with liberal concepts but with the framework of the future we desire and within which the people must be protected."

He also said that in the process "in which the government itself is corroding--even if this is denied--there are now some people who think that nothing has happened and that we can return to the previous situation."

"I believe that this process is beyond one single person and, therefore, I think that intending to remove Martinez de Hoz is a big mistake, since, to a certain extent, nobody is able so far to evaluate the result of a policy which is also the policy supported by the armed forces. What is significant in this policy is that there is a steady recuperation, but this accumulation of new economic forces has not had any effect and will not have any effect as long as the management sector does not adapt to the times we are going through."

Another point discussed by Manrique was the participation of Argentines in this political process:

"There is talks of civilians in responsible positions, but it sounds funny to think that civilian participation can be authorized or announced when this is an obligation we all have. I am going to make my participation felt stronger inasmuch as I see that some people think that nothing has happened here."

When asked who it was who thought that nothing has happened here, he replied: "That is very simple. To begin with, we have the list of those who made up the Hour of the People [agreement between Juan Peron and opposition parties in 1972]. Here you have a good hint. They are all in the country, waiting for the hour to come again for them, as if nothing had happened. Those are the ones who think that elections should have been called yesterday. I have never been at the table with the great plotters, and I am not at the table with those who hold power, but I know them well."

Manrique requested clean rules of the game in the struggle against subversion, rules which have to be implemented by the judicial system, which itself still has a long way to go. Manrique then mentioned former President Maria Estela Martinez de Peron saying: The Isabel Peron case is a mixture of all the faults that can be included in any code. A great mistake was made when a political issue was made out of the case and then when the case was passed to the judicial branch. I stated that if things went on like that, the only achievement would be a new Joan of Arc. She has been judged by the country. We are aware of her clear incompetence, and I do not want to touch the moral issue. What we are now experiencing is the result of her job and of her husband's administration. The country must remember this and must not try to find heroes in graves or great leaders in jails.

FOREIGN INVESTMENTS INCREASE BY $500 MILLION

PY211438Y Paris AFP in Spanish 1135 GMT 21 Mar 78 PY

[Text] Buenos Aires, 21 Mar--Foreign investments in approved projects in Argentina have increased by $360 million during the last 12 months, it was reported here today.

Federico Dumas, under secretary for foreign investments, said that $180 million for projects under study should be added to that amount, to bring total foreign investments to $500 million. Dumas pointed out that this represents an increase of more than 10 percent in terms of real value of foreign investments in Argentina as of August 1976, when it amounted to $4.5 billion. Of the $360 million invested furing the last 12 months, $150 million represents reinvestments of profits made by 200 foreign companies operating here, said Dumas. Dumas added that about 1,700 foreign investors are in Argentina operating in the areas of metallurgy, oil refining, transportation and chemical production. He pointed out that capitalization through credits totaled $80 million and that new inflow of capital amounted to $135 million during the last 12-month period.

BRIEFS

PERONISTS LOSE ASSETS--Jose Lopez Rega, Rodolfo Luis Puiggros, Adolfo Mario Savino, Carlos Alejandro Gustavo Villone, Jose Maria Villone, Eduardo Luis Duhalde and Casildo Herreras were stripped of all their assets and possessions in Argentina or abroad yesterday when they failed to respond to a government summons issued by the National Council for Patrimonial Responsibility [CONAREPA] on 28 January 1978. Hector Pedro Campora, Mario Jaime Kestelboim, Ricardo Armando Obregon Cano and Hector Raul Sandler, who responded to the CONAREPA summons within the established 15-day period, were not affected by the decision. [Buenos Aires HERALD in English 19 Mar 78 PY]

ALLARA TO JAPAN--Foreign Ministry Under Secretary Gualter Allara will leave tomorrow for Japan to contact important Japanese officials in order to strengthen economic and cultural relations between Argentina and Japan. Allara's visit to Japan may also be related to the forthcoming sale in Japan of Argentine bonds. [Buenos Aires Radio El Mundo in Spanish 1500 GMT 21 Mar 78 PY]

BANZER SPEAKS ON ECONOMIC POWER, BREAK WITH CHILE

PY221725Y La Paz Radio Panamericana in Spanish 1130 GMT 22 Mar 78 PY

[Text] President Hugo Banzer Suarez has praised the spirit of the Bolivians, saying: I believe that we will return to the sea sooner or later, and I think it will be sooner rather than later. The president made this statement after his important speech at a rally in the Plaza Murillo where the people backed the severance of relations with Chile. The president consented to talk with newsmen and answered their questions. His first reply was this: [recorded portion indistinct]

Clarifying some paragraphs of his speech, he then explained about the strengthening of the country in order to become more respected and better understood. [begin Banzer recording] We have to work more and we have to make adequate use of our natural wealth. We have to demand better prices so that the country obtains more economic power, because the economic power and social development of the country will contribute to the strength of all its institutions, including the armed forces themselves, because it is clearly seen that the weak countries are not listened to. We have been weak economically, but we are immensely strong spiritually. [end recording]

President Banzer said, replying to another question, that he had never hinted that the elections would be postponed. On the contrary, he said, I have a strong desire that the country be constitutionalized.

Regarding an article in the Argentine press asserting that Chile got the upper hand on Bolivia by denouncing the event to international organizations, President Banzer made this statement: [begin Banzer recording] International organizations know Bolivia's situation and they know the efforts Bolivia has made to find a solution, so it is of no importance who gives the first notice. [end recording] As the Bolivian people know, Chile has maintained that Bolivia's severance of diplomatic relations is due to the domestic situation in this country and to Peru's inflexible position on a solution of our landlocked situation. Regarding this assertion the president made the following remark: [begin Banzer recording] I wish to tell you that this government began a well-planned and responsible negotiation [words indistinct--end recording]

Regarding the future of the nation, the president said that it is fundamentally important for the country to be unified around our highest aspirations: [begin Banzer recording] The government which began the move will finish it, with the goal we have set for the future of the nation. [end recording] He concluded by saying that the step of breaking relations with Chile has been reported to all friendly countries which have supported Bolivia's maritime policy. President Banzer himself reported the decision to Venezuelan President Carlos Andres Perez, who has been a champion of the Bolivian cause.

ARMY CHIEF CLAIMS NO KNOWLEDGE OF ANDEAN POWERS' MEETING

PY222100Y Paris AFP in Spanish 2020 GMT 22 Mar 78 PY

[Text] La Paz, 22 Mar--Bolivian Army Commander in Chief Gen Alfonso Villalpando stated here today that he knows nothing about a high-ranking military meeting of Bolivian, Chilean and Peruvian officers.

Villalpando indicated that "I have received no official invitation to meet with my Peruvian and Chilean colleagues. Any information I may have in this regard is that which has been reported by international news agencies." He concluded by saying that "I cannot discuss the matter because the Bolivian Army has received no official invitation."

Villalpando Stresses Military Readiness

PY221653Y La Paz Radio Fides in Spanish 1130 GMT 22 Mar 78 PY

[Excerpt] The situation emerging after the severing of relations between Bolivia and Chile has focused journalistic attention on the military sector. All high-ranking officers place the possibility of an armed conflict between the two countries in the new context created by the severance of relations. We now reproduce the statement made by Army Commander Gen Alfonso Villalpando to Radio Fides:

[begin Villalpando recording] We have obviously had to concern ourselves with readying our manpower in terms of both quality and quantity for use in any warlike situation which may occur. We are also aware, as the president has said, that as of today we must also (?prepare ourselves) materially to be able to face any problem we may have with any neighboring country. [end recording]

'Spy Network' Discovered

PY222030Y Paris AFP in Spanish 1529 GMT 22 Mar 78 PY

[Text] La Paz, 22 Mar--Bolivian Army Commander in Chief Gen Alfonso Villalpando indicated here today that Bolivian intelligence services have detected "an incipient foreign spy network in the country." General Villalpando confirmed the discovery of foreign spies in Bolivia but did not believe that the fact had great importance. Villalpando did not mention the country involved but merely discussed the subject in general terms.

The statement of the army commander in chief was in response to a question from the press regarding possible activity of Chilean spies in Bolivia. Villalpando added that "the military intelligence services are constantly on guard to protect the security of the nation by protecting its sovereignty as an independent state."

The statement of the Bolivian general was issued at a time when the news media were reporting "peaceful and symbolic" mobilization of troops on the border between Chile and Bolivia after the countries severed relations on 17 March. The 99th anniversary of the beginning of the War of the Pacific, in which Bolivia lost its coast, will be commemorated on 23 March.

LEFTISTS CRITICIZE SEVRRING OF RELATIONS WITH CHILE

PY221558Y La Paz Radio Cruz del Sur Network in Spanish 2330 GMT 21 Mar 78 PY

[Text] The Movement of the Revolutionary Left [MIR] and the Nationalist Revolutionary Movement of the Left [MNRI], which support former President Siles Suazo, charged today that the government's severing of relations with Chile tends to cancel out the presidential elections and guarantee the continuity of the government.

The MIR-MNRI document, released to the press tonight, indicates that if elections are suspended, which will also affect official candidate Gen Juan Pereda Assun, it would be due to the fact that the country, now more than ever, needs national unity in order to face possible confrontations with neighboring countries. The two parties which support Siles Suazo also indicated that with the severing of relations with Chile, an international failure is being turned into an internal political triumph. The two parties also stated that while the people are hoping to celebrate on 23 March their inalienable right to the sea, the government again intends to obstruct democracy in order to obtain complete power over the country and the people.

Let us now listen to MIR leader Jaime Paz Zamora. [begin Paz Zamora recording] The MIR and the MNRI have made a study of this situation and they have completely agreed to accuse the government, before the Bolivian people, that the severing of diplomatic relations with Chile was made too late and [word indistinct] and that it may be followed by a decision to renounce the 1904 treaty without consultation with the people, disregarding popular opinion which is necessary to appropriately handle the high interests of the nation. The government's sole purpose is to strengthen its weak and discredited position aimed at either securing the continuity of the tricky electoral process or stopping it, even if it affects the official candidate, thereby continuing the current dictatorship. The second alternative is most attractive for Banzer. He hopes to seek national unity under the pretext that the country is endangered. Therefore while the people hope to celebrate their inalienable rights on 23 March, Banzer intends to obstruct the democratic process in order to consolidate his power over the country and the people. [ends recording]

The newspapers have published several government communiques warning that the electoral process may be interrupted if what the government calls extremist provocations, such as slanderous accusations against high government spokesmen, continue.

The charges made by MIR and MNRI do not disregard the possibility that due to the severing of relations the government may start repression of political and union activity. The Ministry of Mining and Metallurgy recently denounced the existence of sabotage by Siglo Veinte mineworkers, since they are considered to be the most combative in the mining sector.

The MIR document entitled "Fraud at Any Cost" also states that President Banzer is no longer a military chief who represents the armed forces because he insists on using them to protect minority and superficial interests which divide the [word indistinct] which are members of the nation.

With regard to the meaning of the Charana meeting and the recent severing of diplomatic relations, MIR chief Antonio Aranibar said that this is an act of [word indistince]. The severing of diplomatic relations with Chile announced last Friday, Banzer was afraid to continue deceiving the nation, a deceit which started with the Charana meeting in February 1975. We can now clearly see [words indistince] never had anything to do with the policy of securing an outlet to the sea, a wish of all Bolivians, but was and still is a simple instrument used by Banzer to satisfy the needs of his own internal policies. The country, its interests, and historic claims were employed in the exclusive service of a dictatorship. [ends recording]

The MIR-MNRI document stated that the people must be alert and must unite their actions [words indistinct].

[begin Paz Zamora recording] The MIR and MNRI, which are fully identified with the Bolivian people, have shown that they have their own way to struggle for the people's rights.

Therefore, they appeal to all workers in the cities, farmlands and mines, to all the democratic forces that are aware of the historic events we are experiencing, to remain alert in view of the maneuvers of the dictatorship, to be ready to consolidate unity of thought and action with the same determination shown by the people who rejected the territorial exchange with Chile, which was accepted by Banzer, and with the same self-denying action illustrated by the people who endured the hunger strike, giving new life to the popular, democratic and revolutionary struggle. [end recording]

FALANGE LEADER URGES UNITY IN DEALING WITH CHILE

PY221858Y La Paz Radio Panamericana in Spanish 1130 GMT 22 Mar 78 PY

[Excerpt] It is necessary to create a patriotic national awareness in which the factors of history, justice, right, peace and harmony among nations should be studied. To this end it is necessary to discuss among all Bolivians, without discrimination, the national strategy for recovery of Bolivian maritime sovereignty. These statements are contained in a document issued by Jaime Ponce Caballero, leader of the Bolivian Socialist Falange [FSB] and vice presidential candidate for his party.

Jaime Ponce maintains that Chile, a country in constant conflict with its neighbors Argentina, Bolivia and Peru, has developed an expansionist policy, disturbing the peace of the Latin American nations, in accordance with geopolitical goals existing since the birth of that republic and inspired by its statesmen Mariano Ergana, Diego Portales, and now Pinochet. He also categorically rejected the Chilean Government statement accusing Bolivia of disrupting American coexistence. On the contrary, he said, I accuse that nation of being an aggressive, hegemonic and expansionist country, a factor of constant historic distortion, a warlike nation which permanently endangers the peace and security of the Latin American peoples by directly attacking its neighbors and inciting other nations to unsettle the American geopolitical equilibrium.

The FSB leader also says that the only way to regain the outlet to the sea is to base it on international justice. Therefore, it is necessary to channel the international process through the United Nations, making our problem multilateral. He added that it is urgent to place the Bolivian cause before the UN General Assembly and the Security Council, presenting it as a de facto problem affecting the peace and security of the nations, complementing this step by incorporating Bolivia into the group of nonalined countries.

Jaime Ponce Caballero also asserts that it is necessary to repeat the Bolivian charge against Chile of aggression in ulilaterally appropriating Lauca River water, because acceptance of that situation will signify acceptance of the juridical principle that international waters may be shifted from one bed to another.

GOVERNMENT CHARGES OPPOSITION WITH HINDERING ELECTIONS

PY211506Y Buenos Aires LATIN in Spanish 1905 GMT 20 Mar 78 PY

[By Rene Villegas]

[Text] La Paz, 20 Mar--Bolivian political circles today refused to comment on government charges concerning a move intended to impede the coming elections in this country.

The armed forces government and the armed forces, individually, have reacted strongly during the last few hours in view of an increasing antimilitary stance in sectors of the political opposition.

The military proclamations repeated that there is absolute support for President Hugo Banzer Suarez, who has been asked to resign and to leave the armed forces as a guarantee for the electoral process which will conclude on 9 July. In a communique released through the General Secretariat of Information of the presidency, the military government charged that there exists a vast movement which intends to hinder the coming elections and indicated that irrational factions of the extreme left and right are responsible for the alleged plot. Nevertheless, the official communique observes that it is appropriate that the population should know in due time who will be responsible for such a situation.

Regarding the objectives of this plan which presumably intends to stop the country's institutional reorganization, the communique indicates that the main point of the plan is to weaken the unity of the armed forces, causing the infrastructure to crumble by destroying the main pillar which holds it up. This government pillar is Gen Hugo Banzer, who is systematically slandered by antinational factions, adds the communique.

On Thursday Banzer was the target of one of the most violent attacks in the nearly 7 years he has been president when former President Adolfo Siles Salinas, who was interim president between April and September 1969, requested that he resign from the presidency and the post of commander in chief of the armed forces and accused him of lacking the moral capacity to preside over the process for the return to constitutionality.

The military government communique identified Siles Salinas as a militant of the extreme right who has become an instrument of the antinational and antidemocratic campaign.

At the same time, through a communique released by army headquarters, the armed forces denied any type of institutional commitments to the candidacy of Gen Juan Pereda Asbun, former minister of the current government and former commander of the Bolivian Air Force.

The official denial is another military answer to assertions made by the opposition accusing the government and the armed forces of firmly supporting the presidential desires of Pereda Asbun who is leader of a popular nationalist movement. Military declarations during the last few hours also referred to the severing of diplomatic relations with Chile ordered on Friday by the Banzer government. The action is fully supported.

In view of the opposition's criticism of the military government that the government has failed utterly in its official maritime policy since the renewal of relations with Chile in February 1975, the military made this last emphatic declaration: "We who belong to the military institution, have placed our honor and dignity at stake and will never give up the national desire of ending our unjust landlocked situation."

Despite disagreements with the civilian sector, regarding the management of the interrupted negotiations with Chile, the Bolivian Armed Forces issued a fervent call for unity of the Bolivian people in their firm decision to return to the sea.

GOVERNMENT DISCREET ON SIGNIFICANCE OF CARTER VISIT

PY222112Y Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 Mar 78 p 6 PY

[Excerpts] Government sectors have their own interpretation for the discreet attitude with which Carter's visit is being anticipated. The intention of the Brazilian Government is to not demonstrate "any anxiety" over the visit or over the meaning the U.S. Government wants to attach to it. So far, U.S. suggestions [about the agenda of the trip] have been accepted without opposition, with the exception of the U.S. President's desire to meet with Cardinal Paulo Evaristo Arns. Even in this case, some sectors are trying to reduce the significance of the meeting by indicating that "it will just last half an hour."

Federal Deputy Joao Cunha, MDB-Sao Paulo, said yesterday that he never trusted "the rhetoric of the U.S. President, because any generous proposal regarding human rights will have to be mixed with the U.S. economic interests epitomized by the multinational companies." According to Cunha, Carter's position "has shaken up the masquerade of Latin American dictators," but it is unable to "erode the position of Somoza in Nicaragua or Pinochet in Chile." The deputy concluded: "I do not put Brazil's hope in the hands of men who use instruments like the CIA and who make victims of U.S. blacks, Puerto Ricans and underdeveloped people."

ARENA SENATOR DISCUSSES FIGUEIREDO, CARTER VISIT

PY230206Y Rio de Janeiro JORNAL DO BRASIL in Portuguese 22 Mar 78 p 7 PY

[Excerpt] Brasilia--"There have always been disagreements in the military sector as dissent is part of human nature," Senator Dinarter Mariz [National Renewal Alliance-ARENA- Rio Grande do Norte State] said, commenting on alleged disagreements existing in military circles over the appointment of Gen Joao Baptista de Figueiredo as the official candidate for the presidency of the republic. Mariz believes that "President Ernesto Geisel will have full powers up through the last day of his term."

Commenting on President Carter's visit to Brazil, Mariz said that during his visit, Carter "could try to exert pressureon our government on certain issues, but he will not find fertile grounds for this kind of action because President Geisel will not yield to pressure." Mariz added: "For the first time in our history, our country is now respected by the other countries."

This is why he does not believe in speculation to the effect that the CIA may be acting in Brazil to destabilize the Brazilian regime.

He said: "The Brazilian Government has taken every action it considered to be beneficial for the country, without taking into account foreign reactions. Evidence of this is the nuclear agreement signed with the FRG, despite U.S. and Soviet opposition."

CNBB LEADER DISAVOWS PLANS TO MEET WITH CARTER

PY230132Y Rio de Janeiro JORNAL DO BRASIL in Portuguese 22 Mar 78 p 7 PY

[Text] Brasilia--Dom Ivo Lorscheiter, secretary general of the National Conference of Brazilian Bishops [CNBB], yesterday regarded the visit President Jimmy Carter will make to Brazil as "a political event" and made clear that "the CNBB has not been and should not be invited to meet with him during his stay in the country from 29 to 31 March."

Commenting on the chances of discussing issues related to human rights with the U.S. President, Dom Ivo said that we must discuss human rights only among ourselves. He added: "Every contact between chiefs of state is important for furthering harmony, for coordinating efforts and for advancing toward a new international order."

Commenting on a statement made recently by Deputy Faria Lima (ARENA--Rio de Janeiro State) on possible links between the church and the CIA (Central Intelligence Agency), Dom Ivo said: "We cannot indulge in that kind of luxury, because we have other problems to solve."

Apart from Cardinals Eugenio Salles [archbishop of Rio de Janeiro] and Paulo Evaristo Arns, President Carter will meet Raymundo Faoro, president of the Federal Council of the Brazilian Bar Association, in Rio de Janeiro on 30 March. The two cardinals and Faoro will meet President Carter outside the U.S. Consulate, probably at a public building.

Faoro refused yesterday to confirm that he had been invited by the U.S. Government to meet the President, but he made clear that "at no time, either directly or indirectly, did I ask to meet President Carter." Last Monday, the American Embassy's spokesman said in Brasilia that there were too many Brazilians who were asking to meet the President.

MDB DEPUTY HINTS LINK IN LETELIER, KUBITSCHEK DEATHS

FY221055 Brasilia Domestic Service in Portuguese 2200 GMT 21 Mar 78 FY

[From the "Congressional Report"]

[Text] Unconfirmed press reports on correspondence exchanged by the Governments of Chile and Brazil led Deputy Airton Soares [MDB--Sao Paulo State] to take the floor to discuss the concern elicited in Latin America by the victory of the then-presidential candidate Jimmy Carter, in view of his commitment to human rights. Soares noted that this alleged exchange of correspondence, if not disproved, will lead to the belief that Latin American regimes have set up a common strategy aimed at developing among their peoples a nationalist, anti-American attitude with the purpose of justifying, in the name of nationalism, their authoritarian regimes which Carter opposed in his campaign. Soares stated that the most serious feature of this strategy is its objective of trying to make opposition groups appear to be influenced from outside, as if they were subordinated to foreign interests.

He added that the MDB's proamnesty campaign, the campaign for better wages, the Magalhaes Pinto candidacy and even the recent incidents involving Lt Col Tarcisio Nunes Ferreira are considered in Brazil as part of a U.S. attempt to intervene in the country to destabilize the regime. Soares also noted that the letter mentions a former member of Salvador Allende's cabinet--who was exiled to the United States and who was murdered there in an attack--and former Brazilian President Juscelino Kubitschek as possible supporters of Carter's policy in Latin America. Soares noted that the death of both leaders is in keeping with the typical strategy set up by authoritarian regimes to get rid of their opponents. Soares then stated that he will personally see that the circumstances surrounding the accident in which Kubitschek was killed be investigated.

FAIR TREATMENT ORDERED FOR ARRESTED TEACHERS

FY221658Y Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 Mar 78 p 1 FY

[Text] Justice Minister Armando Falcao has issued instructions that the teachers and journalists arrested in Curitiba last Saturday must be treated properly, allowed to contact their lawyers and released as soon as they have given their statements. Shortly before the minister issued these instructions, members of the Parana section of the Justice and Peace Commission [JPC] reported to a press conference that Professor Juracilda Vargas had been found, but that "she was not presented to the press because of her health condition." The JPC said that the professor had submitted to psychological pressure and electrical shocks for 24 hours during 10 successive interrogation sessions in which her interrogators tried to extract information on the 11 arrested teachers and journalists, threatening to take her to Sao Paulo "to have a little talk with Fleury," [a Sao Paulo police inspector who has been indicted on charges of connections with the death squad].

WRITER CLAIMS EXTENSIVE BRIBERY IN STATE INDUSTRY

FY221915Y Rio de Janeiro JORNAL DO BRASIL in Portuguese 21 Mar 78 p 8 FY

[Summary] Porto Alegre--Industrialist Rudolf Mirow, author of the book "The Dictatorship of Cartels," said in Porto Alegre that "80 percent of the Brazilian state companies demand kickbacks and bribes when making purchases" from multinational suppliers. He said that the FRG authorizes German companies a 20 percent tax discount on all sale invoices to Brazil. Suppliers are asked to deposit the kickbacks in Swiss banks.

Japan, France and Germany are named as being the biggest corruptors of state companies making purchases under special agreement. Rudolf Mirow said that Brazil imported electric equipment worth $1.5 billion which could have been produced in the country.

The survey was made by Brazilian companies which cannot compete in paying the kickbacks and bribes multinational companies can. Rudolf Mirow said that ever since the U.S. Government investigated business practices of U.S. multinational companies abroad they have no longer been competitive.

BOLIVIAN GENERAL DENIES PLANS TO BUY ARMS

FY230125Y Rio de Janeiro JORNAL DO BRASIL in Portuguese 22 Mar 78 p 6 FY

[Excerpt] Brasilia--After refusing to talk to the press, Maj Gen Herman Terrazas Cespedes, chief of staff of the Bolivian Army, denied--through his aide--that the visit he paid yesterday on the War Material Industry [IMBEL] president was designed to purchase Brazilian war material for the Bolivian Army.

General Terrazas, who is visiting Brazil in response to an invitation extended to him by the Brazilian Army's General Staff, was received yesterday morning by Army Minister Gen Fernando Bethlem, and by Army Chief of Staff Gen Ariel Pacca, who decorated him with the military merit award. Furthermore, they exchanged presents and toasts.

GEISEL-TANCREDO NEVES TALK RECOUNTED

FY161715Y Aparecida Radio Aparecida in Portuguese 1430 GMT 16 Mar 78 FY

[Text] Brasilia--Only today it was made known in Brasilia that President Geisel had talked with Tancredo Neves for 30 minutes, during the recent reception given for Prince Charles.

According to reports in Brasilia, President Geisel told the MDB leader at the Chamber of Deputies that the doors of the palace are open to the opposition. Tancredo Neves thanked President Geisel for the invitation, but told him that the opposition will only come to see the government if and when called.

The same reports in Brasilia point out that President Geisel assured Tancredo Neves that he intends to promote political reforms to improve the situation, to the extent permitted by the conditions in Brazil.

Tancredo Neves said that the MDB never created difficulties for the present government, especially in regard to the interests of the Brazilian people, but pointed out that he could not agree in principle with those reforms which are not in line with his party's platform.

ANNIVERSARY OF GEISEL GOVERNMENT NOTED

PY161458Y Sao Paulo Cadeia Verde Amarela in Portuguese 1000 GMT 16 Mar 78 PY

[Text] Twenty-one state ministers came to the Planalto Palace yesterday to participate in a ceremony marking the fourth anniversary of the Geisel government. On behalf of the ministers, Justice Minister Armando Falcao greeted the president, pointing out that his government is now entering its final year.

The president said that his administration's basic principle has been to insure the continuity of the national undertaking which had been initiated by former President Castelo Branco--one of the objectives of the revolution. He added that the principle of continuity does not mean that things must remain static, but it implies a uniform development in every respect--material, moral and spiritual--so that we may finally build the country which we all desire. President Geisel also said that, under these conditions, it is now possible to realistically grant the country democracy appropriate to its current stage of overall development. In closing, Geisel said: "We all know that we have worked for these goals in the previous years; and that, God willing, we will continue to work during this final year with the same strength, the same ideals and the same objectives."

AMNESTY INTERNATIONAL MAY SET UP OFFICE

PY152058Y Paris AFP in Spanish 1600 GMT 15 Mar 78 PY

[Text] Sao Paulo, Brazil, 15 Mar--An Amnesty International delegation will officially visit Brazil in September or October 1978 to study the establishment of a section in Brazil, it was reported here today. This report was released by Patricia Feeney, Amnesty representative who is now in Brazil on a study mission and also to make first contacts. This is the first official acknowledgment that an Amnesty International representative is visiting Brazil. According to Amnesty International, which defends political prisoners throughout the world, there are currently almost 200 political prisoners in Brazil.

BRIEFS

FRENCH LOAN TO ELETRONORTE--The Northern Powerplants [ELETRONORTE] signed yesterday in Paris a 1 billion francs loan contract with a French consortium led by Crusot-Loire and by the Schneider and Alsthon Atlantique Groups. This loan will be earmarked for electrical equipment to be installed at the Tucurui Hydroelectric Plant, which is being built on the Tocantins River, in Para State. [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Mar 78 p 36 PY]

BOLIVIAN PAPER PUBLISHES CHILEAN REPLY ON RELATIONS

PY230156Y La Paz PRESENCIA in Spanish 19 Mar 78 pp 1, 11 PY

[Text of official Chilean answer to Bolivian note severing relations with Chile]

[Text] Today, 17 March 1978, the Bolivian foreign minister handed our charge d'affaires in La Paz a note which indicates the decision of his government to sever diplomatic relations with Chile.

To justify this measure, the minister states that the renewal of diplomatic relations with Chile, achieved during the Charana meeting, had the purpose of "stimulating renewed dialog with the fundamental goal of achieving, through this dialog, a just solution to the landlocked situation imposed on us more than 99 years ago." He adds that during this time the Chilean Government did not show any type of desire for flexibility and it also held to the conditions of its proposal of 19 December 1975. He also adds that recent confidential negotiations carried out at the initiative of Bolivia have proven that the Chilean Government has abandoned the essential commitment which justified the reopening of the dialog which basically sought a sovereign return to the sea for Bolivia.

The Chilean Government has received these assertions with great surprise due to the following motives:

1. The Charana meeting was carried out at the initiative of the Chilean president.. During the meeting both presidents decided only, as is written into the document which was signed on that occasion, "to seek formulas for the solution of vital matters faced by the two countries, such as that relative to the landlocked situation which affects Bolivia, within reciprocal convenience and taking into account the desires of the peoples of Bolivia and Chile."

2. In December 1975, the Chilean Government proposed concrete bases for negotiations which, in general terms, were accepted by Bolivia.

3. Afterward, as has been shown by the numerous meetings between the foreign ministers of the two countries; by the specific statements of the Chilean president to the Bolivian president; and by the permanent instructions given our embassy in La Paz, the Chilean Government has been repeating its purpose of stimulating the negotiations which are intended to satisfy Bolivia's desires of having a sovereign outlet to the sea.

4. During a meeting held in New York, on the occasion of the last meeting of the UN General Assembly, the Chilean, Bolivi[illegible]nd Peruvian foreign ministers agreed to the naming of special representatives, preci[illegible]ly in order to stimulate the negotiations.

5. According to an ANSA agency report, President Banzer, in remarks to the newspaper PRESENCIA, acknowledged at that time that the events related to the negotiations had been very dynamic, "therefore he announced that his government would call for a recess in order to analyze the situation" and that it would be the future congress, elected through a popular vote, which would decide whether Bolivia accepted or rejected the territorial exchange proposed by Chile. He added that his government would not make the final decision on the matter.

6. On the other hand, the Chilean Government insisted in putting into motion the mechanism which had been agreed upon in New York. In effect, in a letter dated 23 November 1977, President Pinochet said: "My government permanently maintains the political desire which originated these negotiations and it is ready to stimulate it in accordance with the desire and intensity which Your Excellency deems advisable." In a later letter, dated 18 January 1978, he said: "Therefore, I continue to believe that in order to avid the stagnation of the negotiations it would be useful to name special representatives in accordance with the agreement made barely 4 months ago. In my case it is evident that if they proceed with an evaluation of the points of agreement and of those points which have to be agreed upon, and if they formulate suggestions for the future action of our governments, the negotiations will prosper. It is not a question of a 'delaying phase' as Your Excellency seems to believe, it is exactly a step to avoid stagnation in the dialog."

7. On 10 March 1978 President Banzer's special envoy, his integration minister, Willy Vargas, met with the Chilean foreign minister in Santiago in order to study the current state of the negotiations and to state that due to the fact that the necessary atmosphere for the maritime negotiations had become clouded, his government wished to explore the possibility of seeking a "middle course" solution which, without substituting current negotiations, would permit achieving some of the immediate objectives. The Chilean foreign minister expressed to President Banzer's special envoy his government's willingness to study these proposals attentively in order to arrive at a compatible solution in accordance with current treaties.

8. The decision to sever diplomatic relations comes precisely at the time when a Chilean-Bolivian technical meeting, presided over by the transport under secretaries of the two countries and designed to perfect the current transit facilities given to Bolivia, is drawing to a close. This meeting concluded today with the signing of agreements which are fully favorable toward the neighboring country.

The above-mentioned facts indicate that no event exists which can explain the unusual decision taken by the Bolivian Government, a decision which disturbs American coexistence, which today is more necessary than ever.

Santiago, Chile, 17 March 1978

BRIEFS

EXPORT-IMPORT STATISTICS--Santiago--The Central Bank has issued a statistical report which states that there has been a sharp increase in exports in comparison to imports during the first 3 months of 1978. The report notes that until March total exports increased by $409 million while imports increased by $281 million. Exports of non-copper products amounted to $166 million, while the export of copper products and derivatives amounted to $243 million. Oil continues to be the most important product that is imported. During the first days of March oil imports exceeded $4.7 million. [Santiago Chile Radio Mineria Network in Spanish 1030 GMT 16 Mar 78 PY]

LOPEZ MICHELSEN INTERVIEWED ON CANAL ISSUE, DRUG CHARGES

PA221855Y Bogota EL TIEMPO in Spanish 17 Mar 78 pp 1, 8-A PA

[Text] For the first time President Alfonso Lopez Michelsen has publicly commented on the U.S. document on drug traffic, terming it "imprecise." He defended the labor and defense ministers as well as Gen Omar Torrijos and Fidel Castro, who were among those charged in the report with involvement in this illegal traffic. He also said that the cocaine traffic had been used as an "underhanded weapon" to obstruct the Panama Canal treaty.

President Alfonso Lopez Michelsen affirmed yesterday that the U.S. Government's document on drug traffic is imprecise. He also voiced his support for his defense and labor ministers who had been charged with involvement in that illegal traffic.

Lopez spoke in the Noticiero TV Sucesos and commented profusely on the new Panama Canal treaty approved by the U.S. Senate and on the antidrug campaign.

Among other things, he said that one of the major obstacles to the treaty had been the "underhanded weapons" used in attempting to link the drug traffic to prominent figures such as General Torrijos, Fidel Castro and the Colombian Government itself, among others.

According to the president, White House Counselor Peter Bourne will explain on television that the charges made in the document on drug traffic have not been verified by the U.S. authorities. These are only suggestions to the Colombian authorities for investigation.

Following is the text of the interview that President Alfonso Lopez granted journalist Amparo Perez on the TV Sucesos program:

[Question] TV Sucesos is consulting with the president today as the U.S. Congress is in the final stretch of voting on the new Panama Canal treaties. Mr President, how do you see the voting?

[Answer] I still do not have the final results, but apparently the U.S. Government already had two-thirds of the Senate votes. It seems that in spite of many obstacles, President Carter has managed to obtain the approval of the first treaty.

[Question] What obstacles did you, who have been so close and so closely connected to the Panama Canal problems, find?

[Answer] Well, a number of obstacles of various kinds, particularly the opposition of the most reactionary senators, those who say that the Canal Zone is a part of U.S. territory. Then there were the southern senators, partisans of the president, Democratic senators, even the Georgia senators. Finally, they came up with what I would call underhanded weapons--such as the attempt to link Torrijos to the drug problem. By the way, this matter has had a great impact on Latin America and even the United States has not yet realized the dimensions of this impact. Every time they have a problem they try to link it to the drug problem: If they have to discuss the Panama Canal, they bring up the drug problem; if they have to discredit a ruler such as Fidel Castro, it turns out that he is connected with drugs; if they are discussing the Peruvian president, they hasten to say that his niece is connected with drugs, and they give Colombia the same treatment.

[Question] Going back to the topic of the treaties, what repercussions and what advantages does it have for us?

[Answer] It is very important for several reasons: Colombia, Venezuela and Costa Rica became leaders in the struggle to help Panama recover the Canal Zone as a part of its territory over which it has full sovereignty and jurisdiction. Thanks to these efforts and to an understanding attitude by the United States--which apparently is being manifested not only through the executive branch but through the Senate as well--the Canal Zone will again be a part of the Republic of Panama, which from now on will no longer be divided by foreign territory. But there was a pending problem, that of our rights, because Panama had once been Colombian, and when Panama's separation and independence were made official, Colombia retained certain rights in that zone under the treaty signed with the United States. Fortunately, and thanks to Colombia's policy, our rights in that area will be respected by Panama, in accordance with the document which we signed in Contadora with General Torrijos in the presence of Venezuelan President Carlos Andres Perez, President Oduber and myself. So Colombia is not losing anything by having the Canal Zone become Panamanian. On the contrary, it will have the advantage of dealing with a sisterly country instead of with the United States, a country which, although friendly, is still a great power.

[Question] Mr President, sometimes the press reports--on other occasions it does not--the visits of U.S. congressmen. Do you think this improves relations with them or do you believe this represents an interference or inspection on their part?

[Answer] No, no. This has been one of the great advantages of this entire treaty matter. We have played a relatively important role--which even the Panamanian authorities acknowledge--in the drafting of the treaty. For instance, the fact that there are two treaties, one concerned with the devolution of the zone and the other with Panama's military issues resulted basically from talks that Foreign Minister Lievano Aguirre held almost 2 years ago with Secretary of State Henry Kissinger. I think the issue of the canal's neutrality was also in part a Colombian contribution--acknowledging the fact that the canal is one of Panama's natural resources, a decisive resource for its economic life, but of interest to the entire hemisphere. Free transit through the canal is of interest to both North and South America, but it is of concern to Costa Rica and Colombia in particular. To them the canal represents the fastest shipping route. It was in this manner, and with our participation, that a formula was reached establishing that the canal would be neutral and that this neutrality would be guaranteed by the country with the biggest economic and military capacity and the capacity to guarantee neutrality on the world level. This country is the United States. But regarding your question, I believe it is important that a relationship has been established between theColombia executive branch and the U.S. Congress. Usually governments deal with each other through their presidents, ministers, secretaries or ambassadors. In this case, the constant flow of visits paid to Colombia by U.S. senators--which on many occasions have gone unreported because they have taken place on Sundays, when groups of senators in favor of or against the treaty would come here to talk to us--has enabled them to learn about Colombia and its characteristics and, I would say, has allowed them to meet us personally. It has also enabled us to discuss other economic issues, such as the U.S. restriction on Latin American trade. All this contributed to a very important thing: Colombia no longer has a relationship only with the U.S. executive branch but with the U.S. Congress and Senate and its foreign relations committee as well. With good reason now we expect another small treaty--the one under which the United States acknowledges Colombia's control over the keys of Roncador, Quitasueno and Serrana--to be ratified. It has been 6 years since the U.S. Senate last debated this issue, and we feel we now have enough friends for this matter to be discussed by the committee and possibly approved.

[Question] Mr President, no one can deny the part you played and the interest you have shown throughout these years in the signing of the new Panama Canal treaties. Why have you shown such great interest?

[Answer] One could suppose that I am the one who is interested. But what is involved here is Colombia's interest. I cannot understand why, with all the noise that the opposition makes, no one gives me credit for what I have said concerning something of which conscientious Colombian must be aware. The Panama Canal is just as important for Colombia as the Magdalena River. We are planning to rehabilitate the Magdalena River for transporting fuel and freight which, because volume and weight, cost less if transported by river. A good example of this is coal. The Panama Canal is just as important. To go from Buenaventura to Barranquilla we must go through the Panama Canal. For this reason anything that guarantees our rights regarding the Panama Canal, meaning also the right of free transit of others through the Panama Canal, is of great benefit to Colombia. I am not defending any particular personal interest. I am defending Colombia's interests. This is why we have placed special emphsis on seeing that the body in charge of approving the treaties in Panama, in this case the Assembly of Corregimiento Representatives, takes steps to authorize the Panamanian Government to sign the appropriate treaties with Colombia and Costa Rica immediately after the signing or approval of the treaty with the United States. This was done by the Assembly of Corregimiento Representatives last November. Thus, the Contadora document was authenticated not only by the vote of the Assembly of Corregimiento Representatives as a basis for a treaty between Colombia and Panama but also by an exchange of notes in keeping with a resolution of the Assembly of Corregimiento Representatives whereby our governments have created the basis for signing treaties that safeguard all of Colombia's previous rights granted under the 1914 Urrutia-Thompson treaty.

[Question] Thank you, Mr President. There have been problems regarding rumors about government officials and Colombian politicians who are allegedly involved with drugs. Mr President, it is said that some U.S. newsmen have come to your office to ask about people in our country and in the government involved in drug trafficking on an international level. Since you are General Torrijos' personal friend, you must know what his situation is. Did they ask you about this? Can you tell us anything about it?

[Answer] Yes. However, we should be talking about the Panama Canal problems and about its repercussions and consequences for Colombia. Nevertheless, I am going to make a parenthetical statement. On Sunday there is going to be a television program that has an audience of 40 million Americans, which was recorded about 3 weeks ago during an interview I granted in my office to a U.S. newsman. During the interview we discussed the drug problem, and we were able to clear up, with the help of the U.S. Government, some sources of confusion, such as rumors, stories and gossip that are widespread in Colombia. I had the opportunity to let the Colombian people know about a report from the U.S. House of Representatives, known as the Bourne report, which I had translated in full and which contains inaccuracies such as the statement that drug trafficking amounts to $8 billion. The report tries to implicate members of the narcotics department, whereas the real story was that a secretary of the narcotics commission had been dismissed. In the same report I said that there was a constant exchange of unofficial information between the U.S. Drug Enforcement Agency and the Colombian Judicial Police, and of course with the government in the campaign against drug trafficking. One of the reports gave clues, issues to be followed up, which involved Colombian officials as possible suspects. For my own satisfaction, Mr Peter Bourne, special assistant to the U.S. President, will appear in the program. If it is shown uncut, it will explain that U.S. authorities have no definite proof and that they had only suggested that the Colombian Government carry out an investigation.

[Question] Mr President, what are the specific charges made against those involved? Can you tell us who they are and what their situation is?

[Answer] No high-level person is involved. However, I wish to note something which I think is curious and which I mentioned to the American newsman to whom I granted the interview, that is, the belief that Colombia is associating with Fidel Castro in selling drugs, cocaine, in the United States. This was brought up in connection with a loan obtained by the Agricultural-Cattle Marketing Institute (IDEMA) in the United States, in which anti-Castro Cuban exiles acted as middlemen. Imagine that. I told the American newsman: Look, you can say whatever you wish about Castro, there are good and bad opinions about him, all sorts of opinions. You can agree or disagree with his views, but one thing that no one can deny is Castro's honesty. The story about Castro trying to get rich by dealing in drugs in combination with money from the Colombian Government should not be allowed to circulate. Along the same line, they came here with a story which circulated in Colombia and which they knew was not true. This is the one about the defense minister being involved as a witness in the trial in Popayan of a person caught with cocaine. After the attorney general completed an inquiry, he found that this concerned an army colonel who testified that the person involved had served under his orders and had a record of good conduct. However, the colonel was not the defense minister and had nothing to do with Gen Abraham Valencia. What really happened was that in his testimony he used Defense Ministry letterhead stationary and the gringos, miscomprehending the word--Defense Ministry--thought it was the defense minister who had testified. We had a similar case at the Labor Ministry. This was the case of coffee smuggling which was being investigated at a time when the labor minister was attending a conference of the International Labor Organization (ILO) in Geneva. An employee at the Labor Ministry was using the minister's office to make calls. Since the judge had ordered an investigation, it was thought this was a case of drug smuggling. The Labor Ministry employee could have been involved but not the minister, who, as I said before, was in Geneva at the time. Therefore, they concluded that the labor minister was involved in drug trafficking. This is all baseless. It was necessary, however, for the U.S. Government to say: There is no basis for these charges, we have no proofs, we have really paid to get hearsay information about persons possibly involved in drug trafficking. This is why we are giving the Colombian Government only hints instead of solid proof. The alleged charges went so far as to try to implicate Turbay, accusing one of his nephews of being a drug trafficker and of having Mafia connections. It happened that Turbay's nephew was in the United States and was not questioned, detained or followed by U.S. drug enforcement authorities. However, informants in Bogota said that he was involved in drug trafficking. These are the things which contribute to the creation of ill feelings which, fortunately, were removed when the United States admitted that there is practically no other government that works as hard as Colombia's in fighting drug trafficking. But this was not the subject of this interview.

[Question] Mr President, before finishing with the drug trafficking matter, we wonder how it is that a few rumors leaked from the White House can have such international repercussions?

[Answer] Currently, all documents, recordings or conversations are being made public. As I understand it, it was only a draft of a document which was going to be prepared, but which fell in the hands of LE MONDE newsmen from Paris. But as I said before, it consisted of notes which had not been checked out and were baseless because the newsmen were in no position to check out the facts in foreign countries.

SUPREME COURT PRESIDENT STIRS POLITICAL CONTROVERSY

Complains of Ambitious Politicians

PA212111Y Paris AFP in Spanish 2013 GMT 21 Mar 78 PA

[Text] Quito, 21 Mar (AFP)--Ecuadorean Supreme Court President Gonzalo Karolys today bitterly criticized political parties for their ambitions and lack of a guiding philosophy. He explained that this is having a negative effect on the Ecuadorean people. In making these comments, the Ecuadorean chief justice became involved for the first time in the political campaign prior to the presidential elections of 16 July. Karolys pointed out that the process of return to constitutional rule in Ecuador "is a difficult historical moment for the country." According to Karolys, the Ecuadorean people are disoriented and cannot understand the reasons for the "wild personal ambitions, pacts, commitments and agreements made and broken in seconds, affiliations, splits and expulsions from party ranks which are creating political chaos."

The campaign is being badly led in "an uncontrollable drive of ambitions, personalities and negative and belligerent leadership," he added. Ecuador's republican existence has been "within a fictitious democracy," and the time has come to lead the nation toward democracy with "social justice," he concluded.

Politicians React Indignantly

PA222015Y Quito Cadena del Trunfo in Spanish 1255 GMT 22 Mar 78 PA

[Excerpts] The recent statements by the Ecuadorean chief justice and the government minister have acted as detonators on the political scene causing reactions in political circles.

The president of the Liberal Board of Pichincha, Blasco Pena Herrera, asked the Supreme Court president to look at his own political past and not be alarmed at the present political situation. He added that the government minister's statements are ambiguous and imprecise. He said: [begin recording] I can only tell you that Karolys was part of that political chaos which Ecuador, like all Latin American nations, has experienced. This is part of our underdevelopment, our level of constitutional reorganization or consolidation. It is nothing to be alarmed about. The proliferation of miniparties and small movements is similar to what happens to germs. After the temperature has been kept below zero and then things come back to normal, there is a proliferation of germs. Naturally, if they are boiled thoroughly, like pasteurizing milk, they are eliminated definitely. And the boiling point, gentlemen of the press, will be the coming elections, the electoral process itself. The normal political process will eliminate all those factors of uncertainty, unease and so forth. Therefore, Chief Justice Karolys should not be too alarmed at what is happening. What should cause us concern is the possibility that this process will not conclude as had been programmed and initiated. I am concerned at the government minister's statements because they are somewhat ambiguous and imprecise and this should never occur with a political leader at such a critical moment as this. His statement that the process will stop if there is intervention by persons who are not up to the historical moment is very imprecise. Who is to determine this? Will it be the government again? Or will it be the people? It should be the electors, the only ones who should be the determining factor in a political process. [end recording]

On his part, Rodrigo Suarez Morales, in the name of the Constitutionalist Front, rejected the government minister's statements, saying the word given by the armed forces is not subject to interpretation by the government minister. Referring to Karolys' statements, he said that a person who became chief justice through irregular means does not have the moral capacity to insult political parties.

Camilo Mena, presidential candidate for the Popular Democratic Movement, said that the chief justice is exaggerating when he dismisses the capacity of civilians for attaining power. Mena added: [begin recording] The president of the Supreme Court, who apparently has an undying vocation for serving military dictatorships, is certainly thoroughly infected with a military spirit and for this reason feels that a few who allegedly try to protect the interests of the nation by the use of force, are the only ones capable of directing the national policy. [end recording]

Gonzalo Cordoba Galarza, the national director of the Democratic Left Movement, said that before making his political statements, the chief justice should have resigned from his high post. He added that the chief justice was interfering in politics.

Statements Clarified

PA222027Y Quito Cadena del Triunfo in Spanish 1255 GMT 22 Mar 78 PA

[Excerpt] In view of so much criticism made against him, we have given Ecuadorean chief justice Gonzalo Karolys an opportunity defend himself like the good lawyer he is. He said that there was no hidden meaning behind his statements. I have tried to reach political leaders. He said:

[begin recording] What I said clearly and definitely is that the political situation shows the existence of such a chaos that the Ecuadorean man, the man of the people, is disoriented. I think that every citizen has a right, no matter how humble or what position of responsibility he holds, and is obliged to give his opinion on the political situation. The legal reorganization of the state is so important that all citizens, without distinctions of any kind, should express their opinion on it.

There was no hidden intent behind my statements, nor do I intend--from any viewpoint--to become any kind of a political leader. I simply thought it my duty as an Ecuadorean to concern myself with the political situation and give my opinion of the factors which are causing the existing chaos. This is why I touched the sensitive spots of political leaders to get them to renounce political ambitions and to try to unite and set up a civilian platform strong enough to attain power and to lead the nation to its rightful destiny. [end recording]

FINANCE MINISTER DISCUSSES FOREIGN DEBT

PA221545Y Quito Cadena del Triunfo in Spanish 1255 GMT 22 Mar 78 PA

[Excerpts] The Ecudorean foreign debt will exceed 32 billion sucres by the end of this year, Finance Minister Santiago Sevilla said. This figure is 7 billion sucres more than the total state budget of 24 billion sucres. Nevertheless, the minister announced the possibility of contracting new loans with international organizations such as the World Bank. According to the minister, the loans are need to carry out national development projects.

[Question] Mr Minister, will the high foreign debt not jeopardize the next administration's plans?

[Answer--begin recording] A few days ago I told a group of newsmen who came to see me that the service payments for the foreign debt vary from $210 to 220 million and may go up to about $230 million yearly. I do not have the figures at hand, these are approximate. Later on, the service payments will decrease. There is no doubt that the next administration, like the present government, will have to make use of credit facilities to promote economic development. I do not think it is good to create a panicky attitude toward foreign debt because it is equivalent to tying the next administration's hands. No government will undertake big projects such as the nation's electrification, the petroleum industry's infrastructure, expansion of the banana, oil and merchant marine fleet, the Ecuadorean Shipping Transport [TRANSNAVE], the expansion of the Ecuadorean airline, and so many important projects, without using credit.

I am the first to be very cautious in regard to foreign debts, but obviously criticism has been centered on the Finance Ministry because we have responsibility for this sphere. Do not forget, however, that the efforts to obtain foreign financing do not stem from the Finance Ministry but from all state organizations which want to serve the country, which work up plans, study them and present them for approval in accordance with legal provisions.

The Finance Ministry and the monetary board--which also acts very cautiously--give final approval to what we consider basic to the nation's economic development.

I would like to emphasize that the opposition, perhaps overstepping the right of freedom of expression which the government supports enthusiastically, has said that foreign credit is being used to pay for current expenses. This is not true and this falsehood is what has created an atmosphere of insecurity and a lack of trust in the Ecuadorean Government's fiscal administration. [end recording]

AUTOMOBILE IMPORTERS PROTEST RISE IN IMPORT TARIFFS

PA162320Y Quito Cadena del Triunfo in Spanish 1255 GMT 16 Mar 78 PA

[Excerpt] Importers have reacted strongly to the military government's Tuesday decree on increasing import tariffs on station wagons, vans and other motor vehicles.

The Quito Chamber of Commerce said that the measure violates the customs law and importers' rights under current laws. According to the chamber, the greatest abuse is the fact that the increase in the import tariffs is to be applied retroactively to motor vehicles which have already arrived in the country. This, in their opinion, contradicts the most elementary principles of justice and equity.

The Chamber of Commerce charged that these provisions are nothing but a logical consequence of the arbitrary financial policy introduced in 1977.

TWO ALLEGED SUBVERSIVES ALLOWED TO LEAVE COUNTRY

PY211321Y Asuncion ULTIMA HORA in Spanish 21 Mar 78 p 8 PY

[Text] Reliable sources have reported that the Foreign Ministry has granted safe-conduct to leave the country to Mirta Ayala, who was under exile in the Mexican Embassy as a result of the 12 January 1978 subversive activities. Mirta Ayala reportedly left for Mexico by Braniff last night. Security forces had charged her with being involved in the January terrorist activities.

It was also indicated that [Maria de Jesus] Caballero Legal, under exile in the Colombian Embassy and charged with participating in the same activities, was granted safe-conduct to leave the country. She will reportedly leave by air today.

COLORADO PARTY CHIEF VOWS RESPECT FOR RIGHTS

PY230047Y Asuncion ULTIMA HORA in Spanish 22 Mar 78 p 8 PY

[Excerpt] "We shall pursue the road of freedom, democracy and respect for human rights," stated Colorado Party President Juan R. Chaves during a meeting which Gen Alfredo Stroessner held at the government house with members of the Colorado Party Executive Board.

In a statement to ULTIMA HORA, Chaves stated: "The objective of this meeting is to convey our permanent support to government policy and assure the president that we shall pursue the road of democracy, freedom and respect for human rights." Chaves added at the end of the meeting that "everyone is responsible before the nation and there must be no division of efforts, but we must join forces to implement the promising prospects of our fatherland."

HOY VIEWS U.S. HUMAN RIGHTS POLICY AS 'COVERUP'

PY161852Y Asuncion HOY in Spanish 16 Mar 78 p 11 PY

[Editorial: "The Decadence of the Empire"]

[Text] The United States has been richly endowed with oil deposits. It all began with those impressive columns of oil gushing out of the ground until they subsided and then the wells remained for the exploitation of the richest fuel known to mankind. These developed into the modern oil wells strewn across large areas of U.S. territory, making it one of the world's greatest producers. But, at the same time, the United States is one of the most avid consumers of oil in all forms and consequently the abundant quantity of oil pumped in the United States has not been sufficient to satisfy its consumption rate.

As a result, the United States is also a large purchaser of oil from other producing countries in the world, and since there has been a great deal of change in the oil business in recent years, the trade balance of that prosperous country has been greatly upset lately, to the point where the value of the dollar is plummeting on the international market. Many measures have been adopted in an attempt to recoup the value of the dollar, which previously was accepted as the preferred currency for worldwide transactions. In its attempt to recoup the dollar, Uncle Sam has sought the partnership of the PRC, a country in the right position to exchange credits in order to prop up the dollar and because of this hazarded no objection to the bilateral nuclear agreement it has concluded with Brazil. Of course, in this instance, the blame must be levelled at the South American country which is dependent on the economic and military aid, which has now been reduced, and practically cut off due to the lack of respect for human rights in that large South American country.

In the game of expediencies everything is acceptable, thereby disregarding strict compliance or noncompliance with the human rights policy. This is undoubtedly the strategy being used in an effort to recover lost prestige--a loss which threatens to topple an empire which ruled the world or at least a part of it, as far as it was allowed to rule.

The oil crisis, for instance, was a hard blow [to the United States]. When the producing countries established a new price scale without even listening to the largest oil buyer, these countries indeed made a declaration of independence which must have hurt the U.S. empire as much as the independence of the 13 states in 1776 under the command of George Washington must have hurt the British Empire. After proclaiming their independence to sell, those oil-producing countries proclaimed their monetary independence and today are ready to transform their already famous petrodollars into a new monetary standard, without dependence on the dollar and with the real possibility of becoming stronger than the dollar itself.

The human rights banner is raised as a coverup to resort to outright extortion. This is the operation being tried on Bolivia, by selling U.S. tin reserves, thereby leaving stranded the world's second largest tin producer. Is this operation intended to protect the human rights of the Bolivian people who may go hungry in the process?

Everybody in the world would like to raise the human rights banner, including the United States, but it will be difficult to do so as long as the U.S. embassies are filled with spies disguised as diplomats whose jobs are to spread an informer's cobweb, thus making it possible to report on human rights violations in the host country by violating the human rights of the host country. The human rights issue is today being used as a yeardstick to determine a country's right to continue to receive U.S. economic aid. Consequently, U.S. relations with other countries are worsening since each one of them has committed some human rights pecadillo of the kind which are no longer forgiven today. Meanwhile, signs of decadence are appearing [in the United States] which resemble those experienced by Rome before its downfall or those which preceded Napoleon's defeat at Waterloo. Beware, Mister Carter.

BRIEFS

POLITICAL PRISONER RELEASED--A court has ordered the release of Segundo Llerandi Ramirez, who will retain his freedom unless further investigations warrant a new arrest. Lleranti Ramirez was arrested on 9 February and charged under Law 209 [National Security Law] with being involved in extremist activities. [Asuncion ULTIMA HORA in Spanish 22 Mar 78 p 30 PY]

FRG LOAN--Paraguayan Ambassador to the FRG Roque Yodice will be authorized to sign later this month a loan contract for DM10 million with the Kreditanstalt Fur Wiederaufbau bank on behalf of the Paraguayan Government. This loan will be handled in Paraguay by the National Development Bank to grant credits for the acquisition of equipment both for industry and for craft work. [Asuncion ABC COLOR in Spanish 21 Mar 78 p 13 PY]

LOAN FOR ITAIPU--The administrative council of Itaipu Binational has approved the signing of a contract for a $200 million loan offered by a consortium of mostly U.S. organizations. [Asuncion PATRIA 17 Mar 78 p 1 PY]

FOREIGN MINISTER VIEWS RESULTS OF UNCTAD BOARD MEETING

PA221650Y Lima EL COMERCIO in Spanish 16 Mar 78 p 3 PA

[Comments by Foreign Minister Jose de la Puente Radbill on returning on 15 March from UNCTAD Trade and Development Board meeting held in Geneva, Switzerland]

[Text] [Question] Mr Minister, what can you tell us about the UNCTAD board and its results?

[Answer] It was extremely useful for us to have attended the Geneva conference because for the first time attention was being given to this matter of foreign debt. The discussion examined the very structural roots of the Third World's debts. As you know, these are currently in the range of $200 billion.

Peru has made a proposal which we believe will help solve the existing problems by establishing a just relationship between our debts and the prices of our materials. The constant drop in the prices of these materials on the international market is affecting not only Peru, but most of the developing countries.

In Europe and in my discussions with the foreign ministers of other hemispheres, I have found great uneasiness as a result of the foreign debt problem. They all feel overwhelmed by this situation and are looking for solutions. This is why, as I said earlier, it was important for us to have gone to Geneva.

We also had the chance to hold dialogs with the foreign ministers of several developed countries and with the UN secretary for trade and development, who is in charge of this foreign debt problem. This has enabled us to be in the vanguard of those countries which are contributing solutions in accordance with their view of this very important problem.

Afterward, I went to Spain and held a lengthy meeting with Spanish Foreign Minister Marcelino Oreja. We discussed various issues connected with our relations, the next meeting of the mixed Peruvian-Spanish commission and the increasing cooperation between our two countries.

Today I met with the Colombian foreign minister. We discussed various issues connected with the Andean Group and the Amazon Pact and analyzed the ways in which we will participate in their activities.

When I left, I also spent 1 and 1/2 days with the Venezuelan foreign minister, with whom I held a truly in-depth discussion on relations between Peru and Venezuela and our desire to make these relations more and more productive. We also discussed issues connected with the Andean and the Amazon pacts. In general, this was my agenda of activities.

[Question] Mr Minister, who will come to our country on an official visit: the Spanish king or Prime Minister Suarez?

[Answer] If the visit takes place--and it has not yet been confirmed--it would be the king of Spain who would come, accompanied by several Spanish officials. But I cannot yet confirm that visit, and I would appreciate it if you did not consider it confirmed. This depends on the Spanish Government's notification of the date on which the king would come in response to the invitation that the Peruvian president extended him through me.

[Question] Mr Minister, speaking of tours and visits, is there any idea when President Morales Bermudez will resume his tours through the country's interior?

[Answer] Not yet. I do not have any information on the subject.

[Question] Do the combined results of the agreements reached by UNCTAD favor Peru?

[Answer] The way we see it, there are always two positions, that of the underdeveloped countries and that of the industrialized ones. But I see the industrialized countries as being more receptive now. They are finally realizing that a Third World in the red is a potential client that they might lose, and they know we consume a very substantial quantity of capital goods. Therefore, this discussion will continue for several months.

[Question] Does this mean that Peru's position has been well received?

[Answer] It has been very well received, and all the Third World representatives told me so. We have made a proposal, and this proposal is being analyzed for inclusion in the general proposal that all underdeveloped countries will make at the end.

ANDEAN DEVELOPMENT CORPORATION GRANTS $23 MILLION CREDIT

PA221720Y Lima EXPRESO in Spanish 17 Mar 78 p 3 PA

[Text] The Andean Development Corporation (CAF) approved two loans to Peru totaling $23 million at the 23d meeting of its board of directors, which was held in Caracas.

The first line of credit totaling $10 million was granted to the Financial Development Corporation (COFIDE) to be used in initial investments, working capital and credits for the execution of Peruvian projects related to Andean integration.

The other line of credit, amounting to $13 million, is for the Industrial Bank of Peru for the promotion of Peruvian Andean Group exports and for the export of non-traditional capital goods.

The Caracas meeting was attended by high-ranking officials of COFIDE and of the Ministry of Industry, Commerce, Tourism and Integration.

'AGITATORS' CONTINUE TO DISRUPT RAILROAD SERVICE

PA221952Y Lima Radio America in Spanish 1800 GMT 22 Mar 78 PA

[Text] Various elements interested in maintaining a state of agitation continue to prevent normal railroad services in several parts of the country in a clear effort to sabotage the national economy. This situation persists despite the fact that on 10 March wage increases were ordered for the workers of [name indistinct] Peru at the national level.

Agitators have interrupted the railroad services between [name indistinct] and Machupichu on several occasions. But this climate of anxiety and fear fomented against the workers who are trying to keep the railroads operating normally has been met with a calm and brave attitude by conscientious workers.

PEREZ ON CARTER VISIT, NORTH-SOUTH DIALOG

PA221507Y Caracas Radio Continente Network in Spanish 1000 GMT 22 Mar 78 PA

[Text] President Carlos Andres Perez plans to visit Jamaica in June. He also wants to meet with the Canadian prime minister and several European chiefs of government. President Perez announced this during a news conference in Valencia.

In the capital of Carabobo State, the president inspected several public works, including the Valencia general hospital, two streets and two overpasses.

Regarding his visit to Jamaica, Perez said that interest in the Caribbean is vital for Venezuela. He added that his visit there is a result of the struggle for a new international economic order. He said he wishes to meet with the Canadian prime minister and several European government leaders. This is part of the Venezuelan Government's efforts to give new impetus to the North-South dialog.

The president also referred to President Carter's visit to Venezuela, indicating that the visit is extremely important. He added that they will discuss subjects of bilateral and international interest which he said he would not mention for reasons of international courtesy.

FOREIGN MINISTER ON CARTER, SOARES VISITS

PA221546Y Caracas Radio Continente Network in Spanish 1000 GMT 22 Mar 78 PA

[Text] Foreign Minister Simon Alberto Consalvi has said that U.S. President Jimmy Carter will only stay in Caracas for 24 hours. He said that President Carter is scheduled to arrive on 27 March. Regarding the visit of Portuguese Prime Minister Mario Soares, Consalvi said that it is a political rather than an official government visit. He said that Mario Soares will meet with Democratic Action leaders.

PORTUGUESE PRIME MINISTER SOARES ARRIVES

PA230315Y Paris AFP in Spanish 0301 GMT 23 Mar 78 PA

[Text] Caracas, 22 Mar (AFP)--Portuguese Prime Minister Mario Soares arrived here today on an unofficial visit to Venezuela. His visit has to do with social democratic political matters. He will meet tomorrow with President Carlos Andres Perez and former Venezuelan president Romulo Betancourt, both members of the Democratic Action Party, which has a social democratic orientation.

PRINCE CHARLES CONCLUDES 7-DAY VISIT

PA230422Y Buenos Aires LATIN in Spanish 2325 GMT 22 Mar 78 PA

[Text] Maiquetia, Venezuela, 22 Mar (LATIN)--Prince Charles, heir to the British throne, took off today from the Maiquetia International Airport on his way to the Bahamas, thereby ending a 7-day visit to Venezuela. During his last day in Venezuela, the prince of Wales met with President Carlos Andres Perez to thank him for the hospitality during his tour of the Venezuelan eastern and industrial regions.

The Avro Andover royal aircraft carrying the prince left at 1452 (1852 GMT) from this airport located 30 km north of Caracas.

MINES MINISTER URGES BETTER OIL EXPLORATION BALANCE

PA221740Y Paris AFP in Spanish 1603 GMT 22 Mar 78 PA

[Text] Caracas, 22 Mar (AFP)--Venezuelan Energy and Mines Minister Valentin Hernandez said here today that Venezuela should intensify the exploration for light and medium crude if it wants to avoid a crisis in its petroleum industry in a few years. He said that in this sense it is necessary to balance the production-reserves relationship to maintain a healthy situation in the petroleum industry.

Although the minister did not say so, in oil circles it was indicated that Hernandez' concern is motivated by the lack of exploration by foreign concessionaires in the last years before the petroleum nationalization. Venezuela nationalized its oil industry on 1 January 1976 and from then on it set a ceiling of 2.2 billion barrels daily for production as a conservation measure. The same circles added that the present situation is not critical because the reduced purchases by consumer countries in the past months has helped to stabilize the production-reserves relationship.

In recent months exports have gone down by about 50,000 barrels of petroleum daily due to the surplus in industrialized consumer countries. Venezuela, the United States' main supplier, is the fourth exporter and fifth producer of petroleum in the world.

HERNANDEZ REPORTS RECOVERY OF OIL SALES LEVELS

PA221745Y Buenos Aires LATIN in Spanish 1640 GMT 22 Mar 78 PA

[Text] Caracas, 21 Mar (LATIN)--Energy and Mines Minister Valentin Hernandez has declared here that Venezuela's oil production and exports returned to normal levels for this part of the month, overcoming a brief drop in sales abroad. The minister reported that as of 15 March, average production for 1978 was 1,752,149 barrels a day, a 25.26-percent reduction from the same period in 1977. "However, exports for February and March can be considered normal, as they are the same as in February and March of last year," Minister Hernandez said. Sales of oil abroad in March are approaching 1.98 million barrels a day, 30,000 barrels a day more than exports in March 1977.

AD CANDIDATE PINERUA OUTLINES ECONOMIC POLICY

PA230036Y Caracas EL NACIONAL in Spanish 17 Mar 78 p D-1 PA

[Article by Nestor Mora]

[Text] Luis Pinerua Ordaz, Democratic Action [AD] presidential candidate, promised last night during a "Venezuela Industry" forum to transfer to the private sector all state concerns which are not operated efficiently.

Expanding on this point, Pinerua added that the state cannot continue managing hotels, transport organizations, sugar mills and other activities which operate at a loss.

During my administration, he explained, I shall transfer to the private sector the operation and ownership of these concerns. I have no reluctance in admitting that the state will not continue assuming responsibilities in industrial concerns which cannot operate efficiently.

On more than one occasion, he added, I have said that unless there is a high degree of productivity, it is impossible to fight inflation, redistribute the wealth and attain a well organized society.

I am of the opinion, he said, that corruption cannot be defined only in terms of the improper withdrawal of funds. It can also consist of the irresponsible squandering of mismanaged resources.

What is more, he warned, in concerns which conduct social welfare activities and receive subsidies of any kind and are engaged in profit-earning activities, a double accounting will be demanded so that losses in subsidized activities will not conceal deficiencies in the overall operation.

Sources close to the national campaign headquarters said that this forum, as well as in others in which the candidate has spoken, will serve not only to make basic policy declarations but also to hear the opinions of those interested in his government program. He wants his program to have the support and participation of various national sectors instead of having a program merely representing a party decision.

The first of these forums was held in Central Park and had as its basic theme the cost of living. The second forum was held in Acarigua to analyze problems related to agricultural development.

The campaign headquarters has considered the organization of other forums to deal with such matters as the cattle industry, health and social security, housing, education, culture and public services.

Expanding on his ideas regarding the administration of concerns by the state, the candidate said "the state is not in itself a bad administrator. The iron and petroleum nationalizations are undeniable evidence of this fact. This process is one of the most important historical pages which the AD has written. However, the government must determine in which fields it is efficient and in which it is not.

Further on, he referred to the matter of promoting exports. He said that is is essential to determine which sectors present evident advantages for the country and then create adquate national industries able to compete in international markets.

Whoever commits himself to the conquest of new markets and guarantees the definite participation of the national sectors in the production process will have my administration's support.

Pinerua also said that in order to encourage industries to locate facilities in the interior of the country, his government will perfect a system of incentives which provides compensation for [the loss of] the comparative advantages existing in traditional industrial sites.

The AD presidential candidate believes that the objective of the policy of industrial decentralization is not to have industries abandon already developed industrial sites, the consolidation of which should be encouraged. Instead, the policy is designed to decentralize the industrial boom and make the growth of industry possible in other areas.

"I am convinced," he said, "that to open up new regions to productive activity is imperative in present times and would be an invaluable instrument in the effort to redeem the depressed areas of the country."

In addition, the candidate reiterated that he will continue and expand the actions of the Industrial Fund, CORPOINDUSTRIA, and other state financing organizations, and that he will create mechanisms by which financial associations will give more credit to industry and will not grant excessive credit for consumer goods.

The candidate later admitted that there are defects in the mechanisms that control the quality of goods produced, which is to the detriment of the consumer. He promised that during his administration special emphasis would be placed on reinforcing the initiatives that have been implemented to correct these defects.

In the course of his speech, the AD presidential candidate discussed what could be described as the outline of his industrial policy.

He spoke of the scarcity of human resources, a situation which was worsened with the great industrial expansion which Venezuela is experiencing and the resulting excessive demand for manpower. In this regard, he explained his government's policy of reorganizing education so as to place greater emphasis on technical training and to have students leave high school prepared to fill a job or to pursue a university career.

Another topic discussed by the candidate during the forum was the process of Latin American integration, which he professed to support.

"I consider Latin American integration," he said, "to be a basic commitment of the country to the aspirations of social well-being of the peoples of the continent and an essential complement to national development."

"We realize," he added, "that difficulties remain to be resolved within the Andean Subregional Pact. On the other hand, we are pleased with the achievement of definitive agreements regarding some of the industrial development programs.

Pinerua said that Venezuela has come a long way in industrial development, and all the sectors of national life have contributed to this process.

The efforts of a government, of any government, are useless," he said, "unless they are supported by workers, by all citizens.

The Democratic Action candidate, Luis Pinerua Ordaz, ended his talk by inviting all those present to voice whatever criticism or suggestions they might consider useful regarding the ideas which he had expressed. He said that his words had not sought to be all inclusive, but rather to serve as an impetus for a constructive and beneficial discussion for devising a program of government.

INCREASED OIL SALES TO NONTRADITIONAL CLIENTS REPORTED

PA221558Y Caracas Diplomatic Information Service in Spanish 1217 GMT 20 Mar 78 PA

[Text] Caracas, 20 Mar (VENPRESS)--Lagoven, the main subsidiary of Petroleos de Venezuela, achieved a 32-percent increase in sales of petroleum to nontraditional clients in 1977, the company reported. According to the figures released, Lagoven sold approximately 940,000 barrels of crude and products abroad daily. Of this amount, 800,000 went to the company's main client, the Exxon company.

Lagoven sold slightly over 100,000 barrels of crude and products a day to nontraditonal clients, which represents a 32-percent increase compared to sales in 1976.

Of all the subsidiaries of Petroleos de Venezuela, Lagoven is one of the companies that manages all operational phases of the industry and, from the standpoint of production and marketing of crudes and products, it is the largest of the four that currently exist. The other companies are Maraven, Llanoven-CVP and Meneven.

ROEL CRITICIZES FOREIGN AGGRESSION, PRESSURE

PA220405Y Madrid EFE in Spanish 1335 GMT 22 Mar 78 PA

[Text] Mexico City, 21 Mar (EFE)--Foreign Relations Secretary Santiago Roel today denounced foreign "aggression" and "pressure" and called on all Mexicans to remain united against "foreign attacks." Roel was referring directly to pressure from abroad "with sights fixed on our natural resources."

On the 172d anniversary of the birth of Benito Juarez, the foreign relations secretary established a parallel between the situation Juarez experienced, facing internal divisions and foreign invasions, and that being experienced today by incumbent President Jose Lopez-Portillo. According to Roel, Juarez' example "warns us of the dangers of being disunited, the need for harmony among us and of an ever alert awareness against foreign attacks."

He added that Mexico, for its natural wealth and geographical position, "has always suffered from foreign pressure," and that if in the past the aggression was armed, "today it is veiled and economic, but just as malignant." The Mexican foreign relations secretary added that "it also is direct, commercial, and sometimes through indirect means."

Roel said the nation is "always in the sights of foreign ambitions, against which we must remain permanently on alert."

The foreign secretary also said that although times have changed, "the pitfalls or risks have not changed," and urged Mexicans to rally around Lopez-Portillo.

According to Roel, Lopez-Portillo defends national integrity "in a constant struggle against colonialism." He said that "if Juarez courageously defended our national territory, Lopez-Portillo is also gallantly defending our soil and subsoil." However, he noted that the Mexican president is also in favor of nonintervention, self-determination, peaceful solution of controversies and sovereign equality of states.

The foreign secretary did not mention any country by name, although he did mention previous military interventions in Mexico, especially the French against which Juarez struggled and the North American interventions. It was said in Mexico recently that the United States was pressuring Mexico in various ways to obtain Mexican fuel under favorable conditions. It was also said that the problems affecting bilateral trade came as a reply to Mexican objections regarding the sale of hydrocarbons.

FEP, TEACHERS' COORDINATOR REJECT U.S. SENATE TREATY CHANGES

PA230056Y Panama City Domestic Service in Spanish 2315 GMT 22 Mar 78 PA

[Text] The Federation of Panamanian Students [FEP] has condemned the amendments to the Panama Canal Treaty and has stated that the postponement of the beginning of the school year has been an untimely decision that only serves to stop the national liberation process. The student organization has issued a communique noting that while it is true that FEP is aware of the fact that the popular movement and patriots must be patient, it is also true that this patience must not be confused with passiveness, weakness or a state of desperation.

The FEP document states that despite pressure, blackmail, provocations and attempts to benumb the patriotic awareness of the people, the popular movement has bravely received the reservations made by the U.S. Senate with indignation. FEP demands the publication of the complete text of the amendments so that the whole country may know them and appeals for unity in searching for various means of struggle to reject imperialist campaigns.

Meanwhile, the National Coordinator of Democratic Teachers has criticized the decision to postpone the beginning of the school year, stating that that decision demobilizes our people at a moment when patriotic alertness and militancy are needed to confront oligarchy and imperialism. According to the coordinator of teachers, the measure is also negative because it does not help to alleviate the deteriorated budget of the Panamanian family but that on the contrary, it adversely affects thousands of teachers who will not receive any income until several months following the beginning of the school year.

The National Coordinator of Democratic Teachers states as a fundamental point that the Education Ministry did not consult with mass organizations, the FEP or the teachers' coordinator regarding this decision.

The coordinator rejects the amendments aimed against Panama and its struggle headed by General Torrijos and calls on all patriotic forces to assume a most active militancy in order to raise the revolutionary morale and militancy of the people.

COSTA RICAN PRESIDENT ON PRIVATE VISIT TO PANAMA CITY

PA230326Y Panama City Circuito RPC Television in Spanish 1800 GMT 22 Mar 78 PA

[Text] Costa Rican President Daniel Oduber is on a private visit to Panama City. During his term of office, Oduber has made frequent visits to David, Contadora and Panama City.

On his arrival at the Tocumen International Airport, Oduber was received by National Protocol Director Jose Manuel Watson. Oduber will end his term of office on 8 May when Rodrigo Carazo Odio will be sworn in. Carazo has severely criticized the trips made by President Oduber and Foreign Minister Gonzalo Facio, who he said traveled throughout the world at the taxpayers' expense.

During his campaign, Carazo said he will be a full-time president and will not leave the country. He was obviously referring to the many trips taken by Oduber during his term of office.

CHILEAN AMBASSADOR INTERVIEWED ON COOPERATION WITH PANAMA

PA2120007 Panama City LA REPUBLICA in Spanish 19 Mar 78 pp 1, 6-B PA

[Excerpts] The Chilean ambassador to Panama has reaffirmed President Augusto Pinochet's interest in maintaining the relations between Chile and Panama "within a broader framework that will permit better ties not only in the area of technology, but in all areas of interest to both countries."

Yesterday afternoon, Chilean Ambassador Gen Fernando Paredes received our correspondent. General Paredes has just returned from Santiago, where he and his colleagues reported on their activities--in his case he presented a report on the activities carried out by his office to expand the relations between Panama and Chile--and received instructions in connection with Chile's foreign policy.

Ambassador Paredes referred to the results of a visit that a Panamanian mission recently made to his country in search of support for Panama's copper mining projects. He also announced that a mixed commission will be formed in the first half of June, after both Chile and Panama reach an agreement regarding the matters that this commission will handle and its regulations.

According to the diplomat, "Panama has much experience in the areas of free zones, foreign commercialization and banking. In our opinion, there are several areas in which Panama can assist Chile within this framework of contacts."

Ambassador Paredes described the results of the relations between our two countries over the past year as "very positive" and added that his government's instructions are to continue giving Panama total support in all that has to do with the Canal problem.

The ambassador said that "Panama can rest assured that Chile is totally at its side, because it knows that the retention of the Canal Zone by a foreign power goes against the anticolonialist principle repudiated by all Latin American countries." [sentence as published] He added that "in accordance with our doctrine, we are on Panama's side and have already said so."

EXPANSION OF PANAMA'S DIPLOMATIC RELATIONS CONSIDERED

PA2114437 Panama City Domestic Service in Spanish 1100 GMT 21 Mar 78 PA

[Text] Through the United Nations, our country is making moves to broaden diplomatic relations. The nations with which the possibility of establishing these relations is being considered are Indonesia, Iceland, Trinidad and Tobago and others. Also, our country will accredit an ambassador of nonpermanent status in Finland. Panama had already established negotiations and other agreements with this country for the purpose of opening diplomatic relations.

The report states that our country's policy is that of broadening diplomatic relations with other countries, especially those which have backed the Panamanian cause for the total recovery of its territory.

It is specified that before establishing diplomatic relations with the above-mentioned or any other countries, a communique mutually agreed upon will be published in the media so that the general public will be informed.

It is also reported that diplomatic relations with the above-mentioned countries will be of a nonpermanent nature for budget reasons.

SOVIET BUSINESSMEN TO HOLD TRADE EXHIBITION

PA221623Y Panama City MATUTINO in Spanish 20 Mar 78 pp 1-A, 10-A PA

[Text] Important Soviet businessmen, who represent V-O Mashpriborintorg of Moscow--one of the most important manufacturers of electronic equipment, cameras, photographic equipment and precision instruments of worldwide fame--will arrive in Panama as the guests of the International Ciers Company of the Colon free zone.

The Russian delegation is comprised as follows: V.V. Rudakov, director of the department of photographic equipment, who is responsible for the manufacture of precision instruments, lenses of all kinds, binoculars and photographic equipment; V.V. Larionov, director of the television department; Mrs L.P. Sebastyanova, director of the exhibition [of Russian products in the free zone]; and Mrs Kildisheva, who is in charge of public relations. They will arrive in Panama on Wednesday, 22 March, via Braniff.

International Ciers--the Latin America distributor for V-O Mashpriborintorg with offices and warehouses in the Colon free zone--is well known and considered to be one of the most important enterprises in its field of international trade. The company has 120 employees and is directed by Lew Rodin, president of the board of directors, and Salek Milgron, director and general manager.

In addition to representing the V-O Mashpriborintorg company, International Ciers is the Latin American distributor of the world-reknowned RCA television sets, Cornavin watches, Zenit cameras and Metrosonic electronic equipment.

The Russian visitors are coming to participate in the exhibition of products made by their company. The exhibition is scheduled to take place in the offices of International Ciers in the free zone from 27 March to 7 April 1978.

ROMANIA OFFERS INDUSTRIAL MANAGEMENT SCHOLARSHIPS

PA201522Y Panama City Domestic Service in Spanish 1100 GMT 20 Mar 78 PA

[Excerpt] The government of the Socialist Republic of Romania has offered Panama several scholarships for graduate study in information systems organization, coordination of work and production, organization of new industrial facilities and management of small and medium-level enterprises, among other courses. The courses will begin on various dates and last for varying periods of time. Therefore, those who would like to take the courses should address themselves to the Human Resources Education and Training Institute's international scholarships department at the institute's offices on Via Espana in Panama City.

COSTA RICA

CARAZO OPPOSES STATE CONTROL OF RADIO, TELEVISION

PA221955Y San Jose LA NACION in Spanish 20 Mar 78 p 2A PA

[Article by Carlos Hernandez]

[Excerpt] Quesada, Costa Rica--President-elect Rodrigo Carazo Odio expressed here yesterday his opposition to the bill establishing state control over radio and television. Carazo spoke during the inauguration of the plants of Radio Cima of San Carlos, owned by former Deputy Limberg Quesada.

The main subject of Carazo's speech was the bill submitted by the executive branch to the special legislative session and according to which the state will own 51 percent of the shares of the radio and television enterprises.

Carazo harshly criticized the scope of the bill, stating that "the Costa Rican is a free man who does not accept that type of muzzle." "I am against that bill and I hope it will not be approved," he added. Carazo did not hide his concern over the fact that the administration submitted the bill in this period of special sessions when its term is about to end.

The president-elect did not indicate what position he will take if the bill becomes law before he takes office.

SOARES COMMENTS ON PLN, CHILE, TIES WITH CUBA

PA222235Y Panama City ACAN in Spanish 1830 GMT 22 Mar 78 PA

[Text] San Jose, 22 Mar (ACAN-EFE)--Mario Soares, Portuguese prime minister and vice president of the Socialist International, rejected any speculation that this ideology is two-faced, progressive in Latin America but conservative in Europe. During a press conference this morning in San Jose, he emphatically said that "we have one face throughout the world" and emphasized that socialism in Europe is indispensable to all leftwing hypotheses to be offered to the people.

Soares arrived in Costa Rica on a 36-hour visit related to his position with the Socialist International. Because of this, the visit was not an official one, although he did meet at a luncheon with President Daniel Oduber, from whom he said to have received "a very clear and important exposition about Costa Rican political evolution and the current problems of that country and of Central America."

Oduber's party, National Liberation [PLN], is a member of the Socialist International and at this time is undergoing an internal crisis caused by the recent electoral defeat in February at the hands of the opposition. Soares told the press today that, according to information he had obtained, he believes the PLN will emerge stronger after the review of its positions which is already underway.

Concerning Latin American policy, he considered the unity of democratic forces necessary to consolidate political pluralism and a regime of freedom with social justice. In his opinion the advance of dictatorships has been checked in Latin America by a strong current of international opinion putting pressure on a return to democracy wherever it has disappeared.

He pointed out that, in order not to waste that force, it is necessary to have unity among the democratic movements; otherwise, the leftwing and rightwing dictatorships could gain advantages from division.

Soares reiterated the Socialist International's opposition to the political regime headed by Gen Augusto Pinochet in Chile and confirmed its solidarity with the democratic forces.

He confirmed socialism's support for the thesis advocating Panamanian sovereignty over the Canal Zone, although he declared that this support did not mean approval of the amendments introduced by the U.S. Senate to the treaty proclaiming the neutrality of the waterway.

As for the Bolivian demands for an outlet to the sea, Soares chose to abstain from expressing an opinion, even though he stressed the importance of negotiations aimed at satisfying the "beautiful and just" Bolivian demand.

Condemning terrorism as a political weapon, Soares pointed out that the Socialist International maintains a policy of censure of foreign interference in the internal affairs of other nations, a concept he made clear when asked about the presence of Cuban troops in Angola and Ethiopia. He recalled that in the case of Angola, that government had asked for Cuban assistance to defend itself from the aggression of other states.

Soares concluded his visit to Costa Rica at noon today when he and his party left for Europe.

GUATEMALA

CAPITAL'S MAYOR-ELECT INJURED SERIOUSLY IN BEATING

PA221746Y Panama City ACAN in Spanish 1657 GMT 22 Mar 78 PA

[Text] Guatemala City, 22 Mar (ACAN-EFE)--Guatemala City Mayor-elect Col Abundio Maldonado Gularte has been abdly beaten and is in serious condition in a private medical center. This was reported today despite the silence regarding the incident which, according to sources in the medical center, happened late last week. "Officially," according to his press office, Maldonado Gularte had a heart attack. Nevertheless, medical sources confirmed to ACAN-EFE that the mayor-elect is in the intensive care unit due to the seriousness of the blows dealt him by unidentified persons.

It has been impossible to confirm this since the family and the committee which nominated him for the post refuse to give any interviews and uniformed police prevent anyone except his family from seeing him.

ANTIGOVERNMENT PLOT BY MLN UNCOVERED

PA211847Y Panama City ACAN in Spanish 1839 GMT 21 Mar 78 PA

[Text] Guatemala City, 21 Mar (ACAN-EFE)--Guatemalan Government Minister Donaldo Alvarez Ruiz today announced that the government had uncovered an antigovernment plot fostered by the anticommunist National Liberation Movement [MLN], which lost in the 5 March presidential elections. Alvarez Ruiz, who is also general director of the Democratic Institutional Party (PID), said that the plot included the assassination of prominent Guatemalan Government figures and a series of terrorist actions.

The interior minister directly accused the MLN of fostering the coup d'etat "in view of the fact that it refuses to accept its electoral defeat."

The MLN ran in the recent presidential elections with its candidate former chief of government Col Enrique Peralta Azurdia, who came in second in the balloting. The election was won by the Democratic Institutional Party and Revolutionary Party centrist coalition which backed the presidential candidacy of former Defense Minister Gen Romeo Lucas.

Minister Alvarez Ruiz said that Mario Sandoval Alarcon, top leader of the MLN and present vice president of Guatemala, has urged the national army to stage a coup d' etat.

According to Alvarez Ruiz, the MLN members began carrying out their plan by exploding some 10 bombs in this capital in order to generate fear and create an abnormal situation. He added that the plan also includes the staging of public demonstrations in protest of "an alleged electoral fraud in favor of General Lucas."

"Government security services have found out that prominent public figures were also to be killed," Alvarez Ruiz said.

According to the interior minister, government security forces have the MLN malcontents under control and can guarantee the maintenance of peace and public order.

Government Minister's Charges

PA221610Y Panama City ACAN in Spanish 1538 GMT 22 Mar 78 PA

[Excerpts] Guatemala City, 22 Mar (ACAN-EFE)--Guatemalan Minister of Government Donaldo Alvarez Ruiz asserted here today that two commando groups of the ultrarightist National Liberation Movement [MLN] "received orders to liquidate me physically in the wake of the defeat suffered by the MLN in the past elections."

"The two groups are trying to kill me out of political vengeance, but the confidential reports I have received have not frightened me. I will continue with my government tasks and my function as political leader without change," the minister added.

Today he said that he is not certain who issued the order to kill him or who has been given "the job," but he added that "when proof is obtained, the matter will proceed according to law."

Rudy Fuentes Sandoval, public relations director of the anticommunists, told the press that Alvarez Ruiz' declarations were made in "an unbridled attempt to be in the limelight." The spokesman added that the minister "would do better if he concerned himself with discharging his duties efficiently instead of making up attacks."

HONDURAS

U.S. STUDY INDICATES LARGE OIL DEPOSITS POSSIBLE

PA212041Y Tegucigalpa Voz de Honduras Network in Spanish 0400 GMT 21 Mar 78 PA

[SERCANO Network]

[Text] Honduras has large quantities of oil, according to reports from the U.S. energy commission and the U.S. State Department. Some of these reports may have disappeared from the Foreign Secretariat and from the Secretariat of Natural Resources.

An investigation which Voz de Honduras' press department has been pursuing for some time has established the presence of oil in explored areas of (La Mosquitia) and on the Atlantic coast off the islands in the bay.

Since 1932, several U.S. companies have been exploring that sector and it has been proved that there is oil there. According to studies made by U.S. oil companies, Honduras is an area of reserve for the exploration of one of the most expensive products in the world. On the basis of these analyses, the U.S. oil and energy commission sent a report to the Honduran Foreign Secretariat containing the results of the exploration in 1969.

So far the response of the Honduran Government is unknown, since that was the time of the aggression against Honduras by the Salvadoran Government. The report was submitted by the then consul of Honduras in New Orleans, Dr Jaime Ramirez Quesada. On the basis of those analyses by the U.S. oil companies, the State Department has been preparing studies on oil exploration in our country which confirm the existence of the product in the areas previously explored.

According to the 1969 report, there are large deposits of oil in some areas from which the product can be extracted in large quantities--enough to produce 1 million barrels of crude a day, that is, one-third of the amount produced by Venezuela.

The same U.S. energy commission revealed on that occasion that Honduran reserves were considered to be some of the richest in Latin America.

Meanwhile, this station's department of analysis and news learned from special sources that the interest shown by the United States and Venezuela in supporting some of our military government's priority projects is basically a reflection of the competition between those two countries. When the time comes, they want Honduras to choose one of them to carry out the exploitation of our country's oil resources.

Our foreign debt to the United States--which never rejects any loan request submitted by the Honduran Government--is logically attributable to the guarantees offered by the country's natural resources, which could in the future lead to the exploitation of oil in great quantities. The same thing can be said of the Venezuelan Government, with its financial support for the famous pulp and paper project.

On the other hand, it has been said that two energy experts who recently visited Honduras and talked with government officials spoke only of the possibility of a deposit of hydrocarbons in sufficient quantities to indicate the presence of oil.

NEW PDCH LEADERSHIP HOLDS NEWS CONFERENCE

PA211652Y Tegucigalpa EL CRONISTA in Spanish 14 Mar 78 pp 1, 6 PA

[Excerpts] The new directorate of the Honduran Christian Democratic Party [PDCh] yesterday held a news conference to publicize the PDCh's position on various current Honduran problems. The PDCh leaders headed by Hernan Corrales Padilla answered all of the newsmen's questions.

PDCh Vice Chairman Miguel Angel Ortiz said that the party plenum analyzed the repressive situation being currently experienced in the Honduran union movement. We discussed the Isleta case and other similar problems, he said, adding that a resolution was issued in support of efforts to reach points of agreement among all the country's social forces to establish a common front to stop the attacks against the workers' interests.

Regarding the call to unity of the progressive organizations which the PDCH has been supporting for the past 3 years, the new PDCh leaders said: The PDCh is willing to participate in talks with progressive sectors which those talks are aimed at a common search for a better future for the country.

Regarding the Honduran Army's participation in the actions against guerrillas who oppose the Nicaraguan dictatorship, Corrales Padilla said: We are not the ones to say that the army high command's denial of participation in such actions is completely true. Our attitude is one of seeking all available means to learn if what is being said is in fact being done. Honduras should not aid in efforts to crush the desires for liberation of the peoples of the Central American countries. The Nicaraguan people are waging a battle because they simply do not want the Somoza government. The struggle of that people is inherent and important for the life of the party [as published] in general.

NICARAGUA

GOVERNMENT CHARGES 42 WITH CRIMES AGAINST STATE

PA221526Y Managua Radio Corporation in Spanish 1220 GMT 22 Mar 78 PA

[SERCANC Network]

[Text] The judge of San Carlos, Rio San Juan Department, has declared to lawyer Luis Arguello in Nicaragua that 42 persons are under trial for the events of last October and December. Of the 42, only 9 are in San Carlos. The others are either out of the country or else their whereabouts are unknown, although many witnesses say that they saw them arrested. The 42 are charged with 11 crimes ranging from the murder of 10 persons, including military personnel and civilians, to theft and accessory to crime, criminal association, assault and battery, damage, terrorism, exposure of persons to danger, attacking the security of the state and the existing authorities, and so forth. A formal order of imprisonment has already been issued against the 42 persons by the criminal court of San Carlos.

SANDINISTS REVEAL ANTIGUERRILLA OPERATION WITH HONDURAS

PA212001Y Paris AFP in Spanish 1935 GMT 21 Mar 78 PA

[Excerpt] Managua, 21 Mar (AFP)--The Sandinist Front today released what is described as secret document which reveal a plan of joint antiguerrilla action of the Nicaraguan and Honduran armies. The student wing of the front distributed to the media photocopies of documents on the operations being carried out on both sides of the border between the two countries. The revolutionary student front indicated that, according to the documents, the joint operation began on 18 March and should end on Thursday. The clandestine organization did not reveal how it had obtained the documents, which carry a seal with the word "secret." It is believed that the documents were sent by Honduran sympathizers of the front.

MALMIERCA ARRIVES IN ROME ENROUTE TO MIDDLE EAST

[illegible] Havana Domestic Service in Spanish 1100 GMT 22 Mar 78 FL

[Text] Cuban Foreign Minister Isidoro Malmierca has arrived in Rome from Addis Ababa for a 24-hour visit to Italy. He will continue his trip to several Middle East countries.

Isidoro Malmierca today will meet Italian Foreign Minister Arnaldo Forlani to discuss current international questions of mutual interest.

Before his visit to Rome the Cuban foreign minister spent 4 days in Ethiopia during which he met with Ethiopian Government leaders and signed a cultural accord and a cooperation agreement between the two countries.

Meets Italian Foreign Minister

[illegible] Havana Domestic Service in Spanish 1632 GMT 22 Mar 78 FL

[Text] In Rome Cuban Foreign Minister Isidoro Malmierca today met with his Italian counterpart Arnaldo Forlani. The Cuban foreign minister and Forlani held a cordial discussion during which several aspects of the current international situation were examined. Foreign Minister Forlani accepted an invitation, delivered by Isidoro Malmierca, to visit our country on a date to be announced later. Cuban Ambassador in Rome Salvador [illegible] Rome also attended the meeting.

Malmierca, who arrived in Italy yesterday from Ethiopia, today left for Baghdad to begin a new stage of his tour which will take him to several African and Middle East countries.

Departs for Baghdad

[illegible] Havana Domestic Service in Spanish 0000 GMT 23 Mar 78 FL

[Text] Cuban Foreign Minister Isidoro Malmierca today traveled to Baghdad after meeting with his Italian counterpart Arnaldo Forlani in Rome. The Italian foreign minister accepted an invitation delivered by Malmierca to visit Cuba on a date to be announced later.

RAIN CAUSING 'SERIOUS PROBLEMS' WITH SUGAR HARVEST

PA2314[illegible]Y Bridgetown SUNDAY ADVOCATE-NEWS in English 19 Mar 78 p 16 FL

[Text] Havana, (REUTER-CANA)--Cuba, facing serious problems with its sugar harvest, had the lowest cane grinding levels of the year last Sunday following the return of heavy rain, it was officially reported.

There were total or partial stoppages in 100 of 148 grinding mills, the official daily GRANMA said. Some 23 could not operate at all.

The setback followed an improvement in grinding levels as warm weather returned.

Cuba has said it is seriously behind its plan to produce more than seven million tonnes of sugar following heavy rains from November to February. The country, which relies on sugar for more than 80 per cent of its exports, is now in the midst of a "100 day campaign" to recoup losses before the harvest ends in June.

Several thousand more cane cutters were being mobilised in various areas, GRANMA said.

In a critical editorial last week, the paper said that failures of organisation and effort had partly contributed to difficulties with the harvest. Productivity was falling at weekends and attendance at the cane fields was insufficient.

GRANMA said that the provinces worst affected by rain were in the west of the island.

Nationally, grinding reached only 47 per cent of the "potential standard".

The potential standard is the maximum level it is thought grinding might reach under ideal conditions. Most grinding targets for mills here were set between 80 and 90 per cent of potential standard.

However, an average of 90 per cent has now been decreed as the national target if losses suffered in the first half of the harvest are to be made up.

Accumulated figures for the harvest up to March 5 show that grinding has averaged 77 per cent of potential, compared with 84 per cent for the same period last year, GRANMA said.

Potential may have been raised by technical improvements, observers said, while one more mill is operating this year than last. However, the figures apparently indicated that the amount of cane ground in the present harvest was running behind last year's.

It was unclear however whether this meant that less sugar was being produced, the observers added. Yield and efficiency are reported to have improved this year, while more cane is being ground green rather than burned. Some 6.5 million tonnes of sugar were produced in the last harvest.

Last Wednesday and Thursday national grinding reached 82 and 83 per cent respectively. It was hoped this might indicate "take-off" towards the new target figure of 90 per cent.

Several provinces in fact surpassed this figure.

On Sunday, however, 23 mills were totally paralysed, another 61 worked at less than half rate and 127 out of 148 failed to complete planned targets.

Despite Sunday's poor results, the day might only mark a temporary setback in the attempt to recoup harvest losses.

Apart from the weekend rain, weather has been generally improving, with warm sunshine over much of the country.

The campaign to make up for the setbacks is also a considerable one. Moves to improve the harvest were reported from all provinces. These included measures to enhance the transport of cane to the mills and step-up efficiency, as well as mobilisation of cane cutters.

Production Figures Supported

PA2304487 Madrid EFE in Spanish 0414 GMT 23 Mar 78 PA

[Text] Havana, 22 Mar (EFE)--Cuban authorities here today denied the existence of apparent contradictions in official statistics regarding Cuba's sugar production. The Cuban Government has issued a statement in which it says that on 20 March, the U.S. news agency UPI stated that sugar production in 1975 and 1976 was much lower than what was reported to the International Sugar Organization [ISO].

The UPI dispatch, which was signed by Adolfo G. Marin, who is considered here to be a CIA agent, states that in 1975 Cuba produced only 5.5 million tons of sugar and that in 1976 it produced 5.4 million tons. The ISO reported from London that the sugar production figures had been 6.4 million in 1975 and 6.2 million in 1976.

During a news conference, Rogelio Montenegro, Cuba's Council of Minister's executive committee member and permanent secretary for CEMA affairs, today presented documents to foreign journalists refuting such statements. The statements by the UPI editor, the Cuban spokesman said, are based on investigations conducted by the Center of Modern International Studies at the University of Miami, which was termed here an institute "neither modern nor dedicated to studies."

The Cuban official also showed the press the book "Statistical Yearbook of Member Countries of the Council for Mutual Economic Assistance," published in Moscow, showing that Cuba's sugar figures coincide with those released by ISO. Montenegro said that such a campaign against the accuracy of his country's statistics are part of the CIA's plans to discredit the Cuban revolution.

Foreign observers in this capital recall that Cuba had supplied figures to ISO for the international sugar agreement signed last year. This tonnage was higher than that of the other exporting countries.

Another factor which supports the arguments which were rejected here today about an alleged drop in Cuba's sugar production was the delay in the harvest due to adverse weather conditions and possible organizational problems which were criticized on 28 February by GRANMA.

FIDEL CASTRO MEETS ALGERIAN SPORTS MINISTER

FL2212547 Havana Domestic Service in Spanish 1145 GMT 22 Mar 78 FL

[Text] Our Commander in Chief Fidel Castro, PCC Central Committee first secretary and Council of State president, has met with Algerian Youth and Sports Minister Jamal Houhou, president of the Algerian 11th World Youth and Students Festival preparatory committee. Questions of cooperation between the two countries were discussed at the meeting, along with the importance of sports in youth development. National Institute for Sports, Physical Education and Recreation--INDER--President Jorge Garcia-Bango attended the meeting.

RADIO COMMENTS ON CUBAN-ETHIOPIAN INTERNATIONALISM

PA230306Y Havana International Service in Spanish 2310 GMT 22 Mar 78 PA

[Unattributed commentary]

[Text] Proletarian internationalism does not acknowledge distances or obstacles which the enemy may interpose to the joint action of peoples fighting for their final liberation. Countries like Cuba and Ethiopia have fully experienced the efficiency of unselfish cooperation between peoples, regardless of geographical distances, language differences and irresponsible activities of international reactionaries opposed to the laws of history.

Cuba cooperates in various fields of national endeavor with the revolutionary process developing in Ethiopia. This aid has been specially evident in the medical, technical and professional services. This has been vitally important for that underdeveloped country with truly precarious health conditions.

However, Cuba has also given evidence of a fraternal militance with the Ethiopian nation during recent events in that African country. Ethiopia fought in defense of its sovereignty and territorial integrity against Somali aggression, an instrument of imperialist strategy in the so-called Horn of Africa. With great courage, as if fighting on their home soil, Cuban soldiers fought side by side with the Ethiopian people and against the expansionist war aimed at frustrating a legitimate revolutionary process with historical importance for Africa's future. The Somali enemy was defeated by the actions waged by the Ethiopian people and army supported by socialist solidarity, including Cuba's participation.

The peoples who today are striving for socialist ideals can find the aid and solidarity of other nations treading the same path, said Cuban Foreign Minister Isidoro Malmierca in Addis Ababa at the end of his recent official visit to Ethiopia. The enemy, Malmierca said, has convinced revolutionary peoples of the need to close ranks in order to confront attacks launched by colonialism and imperialism regardless of national boundaries. For the revolutionaries of the world, the Cuban foreign minister said, the defense of Ethiopia's revolution and territorial integrity is not only a right but a duty. The victory of this revolution belongs to all African peoples and to all who fight for freedom and socialism in all parts of the world, Isidoro Malmierca concluded.

During one of the official meetings the Cuban delegation held in Ethiopia, Foreign Minister Feleke Gedle Giorgis said that the two peoples, who share a common African origin, have become comrades in arms in the anti-imperialist struggle. He also referred to the propaganda campaign and pressures exerted on Ethiopia by U.S. ruling circles which aided Somalia in its aggressive war.

The Ethiopian official rejected as hypocritical the U.S. attitude demanding a withdrawal of Cuban forces from Ethiopia and recalled that thousands and thousands of U.S. soldiers, with aggressive intentions, are stationed on several continents. The United States is concerned because it is convinced that the Ethiopian revolution cannot be destabilized because of the unlimited socialist support, Foreign Minister Feleke Gedle Giorgis said.

In spite of the distance separating Cuba and Ethiopia, our common goal of building socialism has made up neighbors and practicioners of proletarian internationalism, the Ethiopian statesman said. He added that revolutionary Cuba, suffering almost 20 years of economic blockade, political pressures and military aggressions, thanks to the courage of its people and socialist solidarity, today plays an important role in the liberation struggle.

UJC NATIONAL COMMITTEE HOLDS THIRD PLENUM

FL221743Y Havana Domestic Service in Spanish 1700 GMT 22 Mar 78 FL

[Text] PCC Politburo member Jose Ramon Machado Ventura and Luis Orlando Dominguez, member of the PCC Central Committee and first secretary of the Union of Young Communists--UJC--have chaired the UJC National Committee's third plenum in our capital. Topics discussed at the meeting included attention to growth of the youth organization, particularly the labor sector, and intensification of the patriotic and internationalistic feelings of Cuban youths.

The work of the organization in 1977 was examined at the meeting. An evaluation of the National Committee's active and alternate members also was made. Lastly, a resolution was adopted containing the most important UJC tasks for this year.

ARNALDO MILIAN CHAIRS GRANMA RICE PRODUCTION MEETING

FL221222Y Havana Domestic Service in Spanish 1100 GMT 22 Mar 78 FL

[Text] The sectors involved in increasing rice production in Granma reaffirm their pledge to plant 4,065 caballerias of spring and winter rice this year. This announcement was made at the meeting chaired by PCC Politburo member Arnaldo Milian following a tour of Granma Province tuber and rice areas. The three Granma Province rice enterprises planted 865 caballerias in the winter period and are intensifying efforts to plant another 3,200 caballerias and to overcome the difficulties. PCC Central Committee member Rafael Francia Mestre, agricultural minister, said there is a need to develop the material base to achieve the production goals and study the plans which will allow higher achievements.

BULGARIAN SCIENCE DELEGATION MEETS PCC OFFICIALS

FL221747Y Havana Domestic Service in Spanish 1700 GMT 22 Mar 78 FL

[Text] Central Committee member Jose Felipe Carneado, chief of the PCC's science, culture and teaching centers department, has received Atanas Stoykov, Bulgarian Communist Party Central Committee member. Stoykov, who is also a professor, a member of the Bulgarian Academy of Sciences Presidium and director of the center for Science and Art, is responding to an invitation from the Cuban Culture Ministry. Hugo Chinea, section chief of the aforementioned PCC Central Committee department, and Felix Beltran, president of the plastic arts section of the National Union of Writers and Artists of Cuba--UNEAC--attended the meeting. At the meeting Carneado briefed Stoykov on the cultural policy of our country. They also exchanged viewpoints on expanding relations in this field.

CARIBBEAN ONCOLOGY CONGRESS OPENS IN HAVANA

FL221852Y Havana Domestic Service in Spanish 1800 GMT 22 Mar 78 FL

[Text] The fifth Cuban and the first Caribbean basin countries congress on oncology was inaugurated today at the Habana Libre Hotel ambassadors hall, chaired by PCC Central Committee Politburo member Pedro Miret. Professor Dr Zoilo Marinello, Oncology and Radiology Institute director, made the opening remarks. He stated that among the congress' objectives are promotion of united actions through their community of interests related to their efforts in fighting cancer, the hosting of scientific and technical training for specialists, and the creation of new methods for better organization in the development of oncology.

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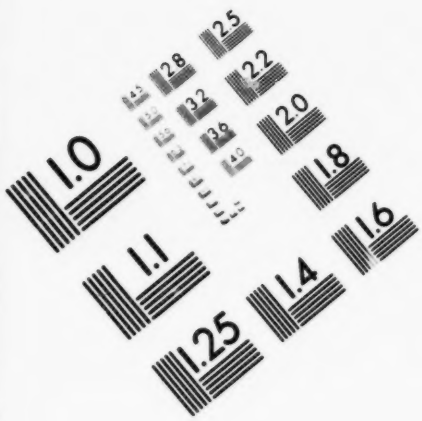
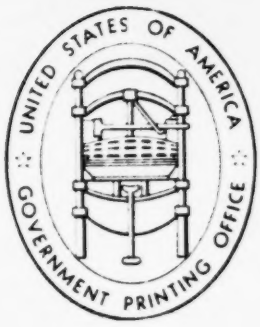




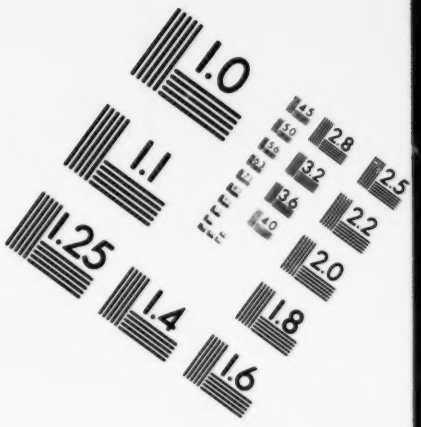
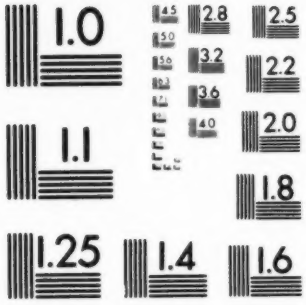
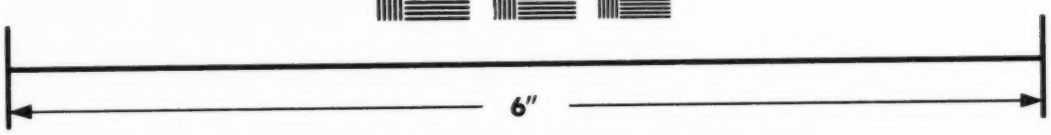
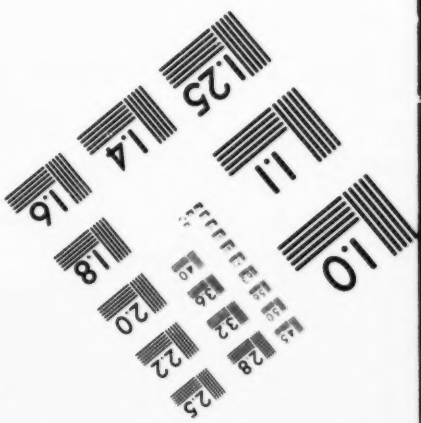


IMAGE EVALUATION TEST TARGET (MT-3)







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